

DIRECT TESTIMONY AND EXHIBITS OF

ANTHONY M. SANDONATO

ON BEHALF OF

THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF

DOCKET NO. 2019-290-WS

**IN RE: APPLICATION OF BLUE GRANITE WATER COMPANY FOR
APPROVAL TO ADJUST RATE SCHEDULES AND INCREASE RATES**

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.

A. My name is Anthony Sandonato. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina, 29201. I am employed by the South Carolina Office of Regulatory Staff ("ORS") in the Energy Operations Division as a Senior Regulatory Manager.

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. I received my Bachelor of Science in Nuclear Engineering from North Carolina State University in 2011. Prior to my employment with ORS, I was employed as an analyst with a global professional, technology, and marketing service firm working with large investor-owned utilities on energy efficiency program design and implementation. I joined ORS in 2016, and, in October 2019, I was promoted to my current position in the Energy Operations Division.

Q. HAVE YOU TESTIFIED BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA ("COMMISSION")?

A. Yes. I have previously testified before the Commission.

Q. WHAT IS THE MISSION OF THE OFFICE OF REGULATORY STAFF?

A. ORS represents the public interest as defined by the South Carolina General Assembly as follows:

[T]he concerns of the using and consuming public with respect to public utility services, regardless of the class of customer, and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high-quality utility services

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to set forth the ORS recommendations as they relate to my review of the rate increase application ("Application") submitted by Blue Granite Water Company ("BGWC" or "Company"). Specifically, I will focus on the following areas:

- BGWC's compliance with the Commission rules and regulations;
- ORS adjustments to service revenue for the twelve (12) months ending June 30, 2019 ("Test Year");
- ORS's review of the Company's vacancy survey reports;
- ORS customer growth calculation;
- BGWC's proposed amortization rate for its recently completed decommissioning projects and associated plant net book value of related assets;
- BGWC's proposed tariff modifications;
- BGWC's proposed rate structure; and

- BGWC's request for an Annual Rate Adjustment ("ARA") mechanism for purchased water and sewer treatment expenses and associated costs to notice customers.

Q. ARE THE FINDINGS OF YOUR REVIEW CONTAINED IN THIS TESTIMONY AND ACCOMPANYING EXHIBITS?

A. Yes. My testimony and the attached exhibits detail ORS's findings and recommendations.

Q. WAS THE REVIEW PERFORMED BY YOU OR UNDER YOUR SUPERVISION?

A. Yes. The review to which I testify was performed by me or under my supervision.

Q. PLEASE EXPLAIN HOW YOU COMPILED INFORMATION FOR YOUR TESTIMONY AND EXHIBITS.

A. I used ORS Business Office Compliance Review results, information provided by BGWC in its Application, supplementary data provided by the Company during our review, subsequent discovery and additional information provided by BGWC during our business review and facility site inspections. I also reviewed BGWC's financial statements and performance bond documents submitted to the Commission.

Q. PLEASE PROVIDE AN OVERVIEW OF THE LOCATIONS, SERVICE TYPES AND CUSTOMER BASE SERVED BY BGWC.

A. BGWC is an investor-owned utility providing water supply/distribution services and wastewater collection/treatment services. BGWC is a wholly-owned subsidiary of Corix Regulated Utilities, Inc., and the Company's operations are classified by the National Association of Regulatory Utility Commissioners ("NARUC") as a Class A water and

wastewater utility according to water and sewer revenues reported in its Application for the Test Year. The Commission-approved service area for BGWC includes portions of Abbeville, Aiken, Anderson, Beaufort, Cherokee, Georgetown, Greenville, Greenwood, Lexington, Orangeburg, Richland, Saluda, Sumter, Williamsburg, Union, and York counties. As of the end of the Test Year, ORS determined that BGWC was providing water supply/distribution services to 16,848 residential and commercial customers and wastewater collection/treatment services to 14,862 residential and commercial customers.

Compliance with Commission Rules and Regulations

Q. PLEASE EXPLAIN EXHIBIT AMS-1.

A. Exhibit AMS-1 provides a summary of the Business Office Compliance Review completed by ORS and a summary of the water supply/distribution and wastewater collection/treatment systems inspected by ORS on January 7, 8, and 9, 2020.

Water Supply/Distribution System

BGWC currently provides water supply and distribution-only services to its residential and commercial customers. Water is provided to customers by BGWC-operated wells or by third-party water providers. During the Test Year, BGWC purchased water to distribute to its customers from governmental entities including the City of West Columbia, York County, City of Charlotte, Lexington County Joint Municipal Water and Sewer Authority, City of Columbia, Town of Lexington, West Anderson Water District, Broadway Water and Sewer, Hammond Water, City of Rock Hill, City of York, Starr-Iva Water Co., Electric City Utilities, and Sandy Springs Water District. There are one hundred and five (105) water supply and distribution-only systems with active South Carolina

1 Department of Health and Environmental Control (“DHEC”) Drinking Water Permits
2 operated by BGWC. Required operator logs were kept at all facilities inspected by ORS.
3 As required by the Commission’s regulations, general housekeeping items, system entry
4 points, access roads and signage, observed by ORS during the inspection were satisfactory.
5 Potable water and irrigation consumption are metered to all customers. BGWC provides
6 fire protection service to customers in the Lake Wylie service area, the Oakwood Baptist
7 Church, Washington Heights, and Hidden Valley Mobile Home Park located in the I-20
8 service area.

9 Since January 2018, one Notice of Violation (“NOV”) has been issued by DHEC
10 to BGWC for Drinking Water permit violations. In accordance with S.C. Code Ann. Regs.
11 103-714.C, BGWC filed consent orders under ND-2016-61-WS.

12 The following consent order had been executed between DHEC and BGWC:

- 13 • 18-005-DW – Stonegate – February 13, 2018

14 **Wastewater Collection/Treatment System**

15 BGWC operates a total of twenty-eight (28) wastewater collection and treatment
16 systems. BGWC operates nine (9) wastewater collection-only systems for which it collects
17 wastewater from its customers and transports the wastewater to another entity for treatment
18 and disposal. Wastewater treatment and disposal is provided to BGWC collection-only
19 customers by York County, Richland County, Georgetown County Water and Sewer, the
20 Town of Chapin, Beaufort-Jasper Water and Sewer, City of Columbia, and the Town of
21 Lexington.

1 In accordance with S.C. Code Ann. Regs. 103-514.C, BGWC filed consent orders
2 under ND-2016-61-WS.

3 The following consent orders have been executed between DHEC and BGWC:

- 4 • 18-026-W – Briarscreek Subdivision – July 25, 2018;
- 5 • 18-051-W – Valleybrook Subdivision – December 6, 2018; and
- 6 • 19-060-W – Watergate Subdivision – September 3, 2019.

7 BGWC paid \$13,865 in penalties to DHEC since January 2018. The Company did
8 not request rate recovery for these penalties.

9 **Q. PLEASE EXPLAIN THE STATUS OF THE PERFORMANCE BOND FOR BGWC.**

10 **A.** BGWC has a current performance bond for utility operations in the form of an
11 Irrevocable Letter of Credit (“ILC”) from JPMorgan Chase Bank, N.A. as surety in the
12 amount of \$350,000 for water and \$350,000 for wastewater operations. ORS respectfully
13 requests that the Commission require BGWC to continue to maintain the current
14 performance bond amount for water operations in the amount of \$350,000 and for
15 wastewater operations in the amount of \$350,000 in compliance with S.C. Code Ann. § 58-
16 5-720 (2015).

17 **Service Revenue Adjustments**

18 **Q. DOES ORS RECOMMEND ADJUSTMENTS TO THE TEST YEAR WATER AND**
19 **WASTEWATER REVENUES FOR BGWC?**

20 **A.** Yes. ORS completed a comprehensive review of BGWC’s customer water and
21 wastewater billing units and revenues for the Test Year. ORS adjustments 1, 2 and 3
22 address the following issues detected in the Application and Test Year:

- 1) Updated water billing units;
- 2) Updated sewer billing units; and
- 3) Understated Solids Interceptor Tank Pumping Charge revenue and updated miscellaneous revenue.

Q. PLEASE EXPLAIN ORS'S RECOMMENDATION TO THE COMPANY PROPOSED BILLING UNITS.

A. During ORS's review of the Application, ORS discovered discrepancies in the billing units used to calculate BGWC's service revenue. ORS updated the billing units based on information provided by the Company to more accurately reflect the total customers at the end of the Test Year.¹

Q. PLEASE EXPLAIN ORS'S RECOMMENDATION TO INCLUDE ADDITIONAL SOLIDS INTERCEPTOR TANK PUMPING CHARGE REVENUE.

A. During the Test Year, the Company's approved tariff included a Solids Interceptor Tank Pumping Charge of \$150 for the service of pumping excessive solids that have accumulated in a customer's solids interceptor ("LETTS") tank. In advance of the Company filing its Application in Docket No. 2018-361-S, the Company suspended charging customers the \$150 fee for pumping the LETTS tanks. The Company identified one case where a customer was charged \$150 which was included in the Company's miscellaneous revenue for the Test Year. The Company identified thirty (30) instances of pumping service being performed by the Company for its customers during the Test Year. ORS recommends that the \$4,500 of miscellaneous revenue be imputed for services the

¹ Response to Energy Operations Request #1 Updated 1.4

Company was able to charge for pump LETTS tanks but chose not to. ORS's adjustment for imputed revenue results in an increase of \$4,350 to the Company's Test Year miscellaneous revenue. ORS also updated the Company's miscellaneous revenues for the Test Year based on information provided by the Company.² This adjustment is reflected on Exhibit AMS-3.

Q. PLEASE EXPLAIN THE TEST YEAR WATER AND WASTEWATER SERVICE REVENUE AMOUNTS COMPUTED BY ORS AND THE RATES AND REVENUE INCREASE AS CALCULATED BY ORS AND PRESENTED IN EXHIBIT AMS-2.

A. Exhibit AMS-2 summarizes BGWC's service revenues for the Test Year. ORS used BGWC's current rates as approved by the Commission and ORS's calculated rates including all ORS recommended accounting adjustments and an opportunity to earn a 9.45% return on equity as recommended by ORS witness Parcell. Exhibit AMS-2 provides a detail of the water and sewer service revenue, as adjusted by ORS, for Service Territory 1 and 2 for water revenues, and combined Service Territory 1 and 2 for sewer revenues. In summary, ORS calculated BGWC's Test Year service revenue for residential and commercial water and sewer operations, as adjusted, of \$24,033,254. Exhibit AMS-2 details the ORS calculated residential and commercial water and wastewater service revenues, as adjusted, of \$32,558,517. ORS'S calculated rates provide BGWC with an increase of \$3,829,858 or 31% for water operations and of \$4,695,405 or 40% for sewer operations. The ORS revenue adjustments are reflected in ORS witness Sullivan's Adjustments Nos. 40-42 on Exhibit DFS-5.

² Response to Energy Operations Request #1 Updated AIR 1.46

ORS recommends an adjustment of \$17,913 to Test Year Miscellaneous Service Revenues to reflect a revenue increase due to the change proposed by the Company for interceptor tank Pumping Charge. In addition, ORS recommends an increase to Late Fees Revenues associated with Company's proposed increase in revenues. This adjustment to Miscellaneous Revenues is \$48,824. ORS's adjustment to Miscellaneous Revenue is reflected in Exhibit AMS-3.

Q. PLEASE EXPLAIN THE TEST YEAR WATER AND WASTEWATER SERVICE REVENUE AMOUNTS COMPUTED BY ORS IN EXHIBIT AMS-8.

A. Exhibit AMS-8 summarizes BGWC's service revenues for the Test Year. ORS used BGWC's current rates as approved by the Commission and the Company's proposed rates for each calculation. Exhibit AMS-8 provides a detail of the water and sewer service revenue, as adjusted by ORS, for Service Territory 1 and 2 for water revenues, and combined Service Territory 1 and 2 for sewer revenues. In summary, ORS calculated BGWC's Test Year service revenue for residential and commercial water and wastewater operations, as adjusted, of \$24,033,254. For comparison, ORS calculated the Company's proposed residential and commercial water and wastewater service revenues, as adjusted, of \$35,944,979. The proposed residential commercial water and wastewater service revenues included the same adjustment for LETTS tank and late fees as described above. ORS did not factor customer growth into these service revenue comparisons.

Vacancy Surveys

Q. DID ORS VERIFY THAT THE COMPANY PERFORMED VACANCY SURVEY CHECKS DURING THE TEST YEAR?

1 **A.** Yes. During ORS's site visits in early January 2020, ORS verified a sample of
2 premises to confirm BGWC's billing record accuracy. Specifically, ORS verified if there
3 were occupied premises receiving sewer service that are listed as inactive in BGWC's
4 billing system.

5 ORS reviewed vacancy surveys at the Friarsgate, Lake Wylie and Chambert Forest
6 subdivisions. As a result of the review ORS found that five (5) of eight (8) premises
7 sampled in the Friarsgate subdivision appeared to be occupied, four (4) of five (5) premises
8 sampled in the Lake Wylie subdivision appeared to be occupied, and one (1) of four (4)
9 premises sampled in Chambert Forest subdivision appeared to be occupied.

10 ORS recommends the Company continue to utilize its Standard Operating
11 Procedure ("SOP") to confirm vacant premises and update its SOP to facilitate continued
12 improvement in this area.

13 **Customer Growth**

14 **Q. PLEASE EXPLAIN THE ORS CUSTOMER GROWTH CALCULATION.**

15 **A.** As shown in Exhibit AMS-4, the customer growth for BGWC is approximately
16 2.0392% for water Service Territory 1, 0.0904% for water Service Territory 2, and
17 2.0076% for sewer Service Territories 1 and 2.

18 **Rates, Charges and Tariff Provisions**

19 **Q. PLEASE EXPLAIN EXHIBIT AMS-5.**

20 **A.** Exhibit AMS-5 is a summary of BGWC's current Commission approved rates, the
21 Company's proposed rates, ORS's calculated rates and BGWC's terms and conditions of
22 service as amended to reflect ORS's proposed adjustments.

Q. DID BGWC PROPOSE ANY NEW TARIFF PROVISIONS?

A. Yes. The Company proposes new tariff provisions for water and wastewater service to incorporate language regarding the treatment of taxes related to Contributions In Aid of Construction (“CIAC”) pursuant to the provisions of the 2017 Tax Cuts and Jobs Act. ORS recommends the Commission approve the Company’s proposed language to allow the Company to collect the income tax obligation from the contributor of cash or property. ORS verified that the percentages included in the tariff language correctly assess the income tax obligation. The Company executed contracts which contain the proposed language with developers – most recently in contracts approved by the Commission in Docket Nos. 2019-332-WS and 2019-257-WS. The Company’s proposed language incorporates one of the four (4) methods for the treatment of taxes related to CIAC as specified in Commission Order No. 1988-237.

The Company proposed a change to the Solids Interceptor Tank Pumping Charge. ORS witness Bickley discusses this in detail and his recommendations have been incorporated into Exhibit AMS-5.

Customer Impacts

Q. PLEASE EXPLAIN EXHIBIT AMS-6.

A. Exhibit AMS-6 provides a comparison of the impact of the Company’s proposed rates on BGWC’s highest billed water customers based on Test Year water consumption. This comparison is provided for informational purposes only.

Amortization Period

Q. DID THE COMPANY INCLUDE DECOMMISSIONING COSTS AND NET BOOK VALUE OF THE RELATED ASSETS ATTRIBUTED TO THE STONEGATE WATER TREATMENT PLANT AND FRIARSGATE WASTEWATER TREATMENT PLANT IN ITS APPLICATION?

A. Yes.

Q. DOES ORS AGREE WITH THE COMPANY'S PROPOSED AMORTIZATION PERIOD FOR DECOMMISSIONING COSTS AND NET BOOK VALUE FOR THE STONEGATE AND FRIARSGATE PLANTS?

A. No. The Company requested the amortization period reflect the existing remaining life of the plant. The Company decommissioned the Stonegate and Friarsgate plants because the Company interconnected the water distribution and the sewer collection systems with a third-party water supply and sewer treatment provider. ORS viewed the remaining net book value similar to new plant in service as the customer would no longer benefit from the service provided through the calculated remaining life of the plant. To better match the amortization period for the decommissioning and net book value, ORS recommends that the amortization period of the Stonegate Water Treatment Plant and associated decommissioning costs of \$742,071 reflect the amortization period of the corresponding asset account and the decommissioning costs reflect the same amortization period as the Stonegate Interconnect project. This results in an increase of the amortization period from 19.82 years to 29.56 years. In addition, ORS recommends that the Friarsgate wastewater treatment plant and associated decommissioning costs of \$7,006,490 reflect the amortization of the corresponding asset account and the decommissioning costs reflect the

amortization period of the Friarsgate Interconnect project. This results in an increase in the amortization period from 19.72 years to 32.40 years.

Rate Design and the Annual Rate Adjustment Mechanism

Q. DID THE COMPANY PROPOSE AN ADDITIONAL CHARGE FOR ITS WATER DISTRIBUTION CUSTOMERS?

A. Yes. The Company proposes to add a Purchased Water Charge which will impact Water Distribution customers in Service Territory 1 and 2. The Purchased Water Charge is a volumetric rate based on customer water usage. It is ORS's understanding the Purchased Water Charge will change on an annual basis in accordance with the ARA Mechanism proposed by the Company and outlined in BGWC witness DeStefano's direct testimony. The Purchased Water Charge will be calculated by the Company on an annual basis utilizing the Company's aggregate annual purchased water expense from third-party providers and annualized customer consumption data for all Water Distribution customers. The Company proposes to reduce the volumetric rate associated with the Residential or Commercial Distribution Charge. The addition of the Purchased Water Charge and the reduction in the Distribution Charge are not equal, causing customer's bills to increase. If the Purchased Water Charge is approved by the Commission, a Water Distribution Customer will experience a monthly bill that contains three (3) separate charges for monthly water service: (1) Base Facility Charge ("BFC"); (2) Residential or Commercial Distribution Charge and (3) Purchased Water Charge.

Q. DID THE COMPANY PROPOSE AN ADDITIONAL CHARGE FOR ITS SEWER COLLECTION ONLY CUSTOMERS?

1 **A.** Yes. The Company proposes to add a Sewer Treatment Charge which will impact
2 all Sewer Collection customers. The Sewer Treatment Charge is a fixed rate per Single
3 Family Equivalent (“SFE”). It is ORS’s understanding the Sewer Treatment Charge will
4 change on an annual basis in accordance with the ARA Mechanism proposed by the
5 Company and outlined in BGWC witness DeStefano’s direct testimony. The Sewer
6 Treatment Charge will be calculated by the Company on an annual basis utilizing the
7 Company’s aggregate annual purchased sewer treatment expense from third-party
8 providers and annualized SFE data for all Sewer Collection customers. The Company
9 proposes to reduce the Residential and Commercial per unit Charge. The addition of the
10 Sewer Treatment Charge and the reduction in the per unit Charge are equal, until the next
11 ARA Mechanism proceeding. Therefore, if the Sewer Treatment Charge is approved by
12 the Commission, a Sewer Collection customer will experience a monthly bill that contains
13 two (2) separate charges for monthly sewer service: (1) Residential or Commercial per unit
14 Charge and a (2) Sewer Treatment Charge.

15 **Q. PLEASE EXPLAIN THE IMPACT ON CUSTOMER BILLS OF THE**
16 **COMPANY’S PROPOSED RATE INCREASE AND CHANGE TO RATE DESIGN.**

17 **A.** The Company does not propose to consolidate the rates for Service Territory 1 and
18 2 in this proceeding. The following table demonstrates the impact on a typical residential
19 customer using 6,000 gallons per month of water in Service Territory 1 and 2 and for the
20 typical impact for a residential customer receiving sewer service from the Company.

1

SERVICE TERRITORY 1: WATER SUPPLY	CURRENT RATE	PROPOSED RATE	INCREASE	% INCREASE
BFC per single-family house, condo, mobile home, or apt. unit	\$14.38 per unit	\$22.09 per unit	\$7.71	
Residential Commodity Charge	\$5.59 per 1,000 gal	\$8.59 per 1,000 gal	\$3.00	
BILL PER 6,000 GAL USAGE	\$47.38	\$73.63	\$26.25	55.40%
SERVICE TERRITORY 1: WATER DISTRIBUTION	CURRENT RATE	PROPOSED RATE	INCREASE	% INCREASE
BFC per single-family house, condo, mobile home, or apt. unit	\$14.38 per unit	\$22.09 per unit	\$7.71	
Residential Distribution Charge	\$7.55 per 1,000 gal	\$4.75 per 1,000 gal	- \$2.80	
Purchased Water Charge	N/A	\$6.85 per 1,000 gal	\$6.85	
BILL PER 6,000 GAL USAGE	\$59.68	\$91.69	\$32.01	53.64%
SERVICE TERRITORY 2: WATER SUPPLY	CURRENT RATE	PROPOSED RATE	INCREASE	% INCREASE
BFC per single-family house, condo, mobile home, or apt. unit	\$28.59 per unit	\$38.58 per unit	\$9.99	
Residential Commodity Charge	\$10.27 per 1,000 gal	\$13.86 per 1,000 gal	\$3.59	
BILL PER 6,000 GAL USAGE	\$90.21	\$121.74	\$31.53	34.95%
SERVICE TERRITORY 2: WATER DISTRIBUTION	CURRENT RATE	PROPOSED RATE	INCREASE	% INCREASE
BFC per single-family house, condo, mobile home, or apt. unit	\$28.59 per unit	\$38.58 per unit	\$9.99	
Residential Distribution Charge	\$11.85 per 1,000 gal	\$4.91 per 1,000 gal	- \$6.94	
Purchased Water Charge	N/A	\$11.08 per 1,000 gal	\$11.08	
BILL PER 6,000 GAL USAGE	\$99.69	\$134.52	\$34.83	34.94%
SERVICE TERRITORY 1 AND 2: SEWER COLLECTION & TREATMENT	CURRENT RATE	PROPOSED RATE	INCREASE	% INCREASE
Residential charge per single- family house, condo, villa, or apt. unit	\$65.08 per unit	\$101.30 per unit	\$36.22	55.65%
Mobile Homes	\$47.50 per unit	\$73.94 per unit	\$26.44	55.66%
SERVICE TERRITORY 1 AND 2: SEWER COLLECTION ONLY	CURRENT RATE	PROPOSED RATE	INCREASE	% INCREASE
Residential per single-family house, condo, or apt. unit	\$65.08 per unit	\$47.10 per unit	- \$17.91	
Sewer Treatment Charge	N/A	\$54.20 per unit	\$54.20	
TOTAL BILL	\$65.08	\$101.30	\$36.22	55.65%
The Village Sewer Collection	\$33.86 per SFE	\$52.71 per SFE	\$18.85	55.67%

THE OFFICE OF REGULATORY STAFF
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Q. PLEASE EXPLAIN ORS'S RECOMMENDATIONS RELATED TO THE COMPANY'S REQUEST TO ADD A PURCHASED WATER AND SEWER TREATMENT CHARGE TO CUSTOMER'S BILLS.

A. ORS recommends the Company retain the existing rate structure of a BFC and a single volumetric commodity charge for customers receiving water service from the Company and a single fixed monthly sewer charge for customers receiving sewer service from the Company. In addition, ORS recommends the Company gradually consolidate Service Territory 1 and 2 water rates by allocating the total revenue requirement increase in a more equitable manner. ORS recommends the increase in revenue requirement for Service Territory 2 be limited to no more than 31% of the total water service revenue requirement. Limiting the allocation of the revenue requirement for Service Territory 2 will bring the total increase for a water customer using 6,000 gallons across both Service Territory 1 and 2 to be within one (1) percent. ORS's recommendation limits the divergence in Service Territory 1 and 2 rates and is a gradual step towards further consolidation of the Company's rates that began in Docket No. 2015-199-WS. This gradual step towards consolidation in rate design will create economies of scale to benefit both Service Territories long-term.

ORS recommends the Company conduct a Cost of Service study prior to the next rate case. Based on the results of the Cost of Service study, ORS recommends the Company be required to propose a rate design to increase parity across its customer classes.

Q. PLEASE SUMMARIZE THE CORE PRINCIPLES THAT GUIDE UTILITY RATE DESIGN.

A. In developing water and wastewater rates, both utilities and utility commissions, including this Commission, have relied upon ten (10) rate design principles from Dr. James C. Bonbright ("Bonbright Principles"). These principles are:

Revenue-related Attributes:

- 1) Effectiveness in yielding total revenue requirements under the fair-return standard without any socially undesirable expansion of the rate base or socially undesirable level of product quality and safety.
- 2) Revenue stability and predictability, with a minimum of unexpected changes seriously adverse to utility companies.
- 3) Stability and predictability of the rates themselves, with a minimum of unexpected changes seriously adverse to ratepayers and with a sense of historical continuity. (Compare "The best tax is an old tax.")

Cost-related Attributes:

- 4) Static efficiency of the rate classes and rate blocks in discouraging wasteful use of service while promoting all justified types and amounts of use:
 - a. In the control of the total amounts of service supplied by the company,
 - b. In the control of the relative uses of alternative types of service by ratepayers (on-peak versus off-peak service or higher quality versus lower quality service).
- 5) Reflection of all of the present and future private and social costs and benefits occasioned by a service's provision (i.e., all internalities and externalities).
- 6) Fairness of the specific rates in the apportionment of the total costs of service among the different ratepayers so as to avoid arbitrariness and capriciousness and to attain equity in three dimensions: (1) *horizontal* (i.e., equals treated equally); (2) *vertical* (i.e., unequals treated unequally); and (3) *anonymous* (i.e., no ratepayer's demands can be diverted away uneconomically from an incumbent by a potential entrant).
- 7) Avoidance of undue discrimination in rate relationships so as to be, if possible, compensatory (i.e., subsidy free with no intercustomer burdens).
- 8) Dynamic efficiency in promoting innovation and responding economically to changing demand and supply patterns.

Practical-related Attributes:

1 9) The related, practical attributes of simplicity, certainty, convenience of
2 payment, economy in collection, understandability, public
3 acceptability, and feasibility of application.

4 10) Freedom from controversies as to proper interpretation.³

5 **Q. PLEASE SUMMARIZE ORS'S PRIMARY CONCERNS WITH THE ANNUAL**
6 **RATE ADJUSTMENT MECHANISM AS PROPOSED IN THE COMPANY'S**
7 **APPLICATION.**

8 **A.**The Company's ARA Mechanism and resulting rate design, as proposed in the
9 Application and revised by BGWC witness DeStefano in his direct testimony, does not
10 offer BWC customers simplicity, understandability and transparency in the same manner
11 as the Commission approved "pass-through" provisions for Kiawah Island Utility, Inc.
12 ("KIU ") and Ocean Lakes Utility, L.P. ("Ocean Lakes")

13 In KIU and Ocean Lakes, when the utility receives a rate increase from the third-
14 party wholesale provider, that utility "passes on" the same rate increase to the customers.
15 Recently, KIU requested a \$0.11 per 1,000-gallon increase for all classes of water
16 customers. This increase in the water charge, approved by the Commission in Order No.
17 2020-40, is due to the third-party provider, St. Johns Water Company, increasing its
18 wholesale water price. The Commission approved a tariff for KIU which included a
19 Purchased Water Adjustment which allows KIU to "pass-through" the increased wholesale
20 water rate from St. John's Water Company to KIU customers dollar-for-dollar with no
21 markup. KIU is required to provide customers with a thirty (30) day written notice.

³ See James C. Bonbright, Albert L. Danielsen and David R. Kamerschen, Principles of Public Utility Rates, 2nd Edition, Public Utilities Reports (March 1988)

The Company's request to establish an ARA Mechanism in its initial Application is different from the KIU Purchased Water Adjustment in several aspects:

- 1) It does not "pass-through" to customers the increase in wholesale water or sewer treatment rates dollar-for-dollar.
- 2) It will allocate to customers the costs for non-revenue water and inflow and infiltration.
- 3) It will allocate to customers the risk of the Company's over or under recovery due to changes in consumption and changes in customer numbers.
- 4) It will allocate to customers purchased water and sewer treatment expenses from third-party providers that do not directly provide wholesale service to the service territory where the customer is located.

Q. PLEASE DESCRIBE THE NEGATIVE IMPACTS TO WATER DISTRIBUTION CUSTOMERS OF THE COMPANY'S PROPOSED ANNUAL RATE ADJUSTMENT MECHANISM IN ITS APPLICATION.

A. The proposed ARA mechanism and resulting rate design in the Company's Application for water distribution customers contains several aspects that could negatively impact customers.

Cross-subsidization and Inequity

The ARA Mechanism allocates the change in purchased water expense to all water distribution customers in the Service Territory through the Purchased Water Charge – even if the water distribution customer does not receive water from the third-party provider that increased its wholesale rate. For example, a purchased water increase from the City of West

Columbia will be paid by residents who receive their water from York County, Lexington County Joint Municipal, City of Columbia, and the Town of Lexington. It should be noted that none of the Company's water systems are interconnected and are located in different geographic locations throughout the state. This socialization of purchased water increases through the proposed ARA mechanism and resulting rate design does not support Bonbright Principles 6 and 7 shown above. The creation of a separate charge, Purchased Water Charge, requires an accurate, understandable and fair rate design.

Lack of Transparency

The ARA Mechanism lacks transparency, is difficult to calculate and difficult to explain to customers. By comparison, when KIU receives an increase from St. John's Water Company of \$0.11/1,000 gallons, KIU can directly reflect an increase of \$0.11/1,000 gallons on a customer's bill. BGWC's proposal does not provide that level of transparency and customers will not be able to easily determine why their monthly bill has changed unless the customer closely monitors each ARA Mechanism filing. This lack of transparency and understanding of purchased water increases through the proposed ARA Mechanism does not support Bonbright Principles 3, 9 and 10.

Non-revenue water

The ARA Mechanism requires the customer to shoulder the cost for all non-revenue water. Based on the ARA Mechanism as described in the Company's Application, the Company intends to allocate 100% of the purchased water expense to customers. This would result in all water loss, or non-revenue water being billed to customers. ORS witness Maurer indicates in his direct testimony the Company's non-revenue water has increased,

not decreased, since the last rate proceeding. The ARA Mechanism proposed by BGWC contains no incentive for the Company to minimize water distribution system leaks and apparent losses which include unauthorized use, misread meters, and data collection errors. This disincentive to control non-revenue water puts the customers at risk because the customer will be required to pay for costs attributed to uncontrolled non-revenue water. If BGWC is adequately incentivized to control non-revenue water, it would reduce BGWC's costs to supply water and, in turn, put downward pressure on rates.

Lack of opportunity for meaningful public participation

The ARA Mechanism, outlined in the Application, does not allow the customers or other interested parties an opportunity to participate in the annual review or audit. Unlike the electrical utility Fuel Adjustment Clause,⁴ BGWC's ARA Mechanism did not contain a provision to allow for public participation or a hearing if the Commission determines it is necessary. Public participation is important to insure utilities are accountable and transparent in the delivery of high-quality, safe and reliable services.

Q. PLEASE DESCRIBE THE NEGATIVE IMPACTS TO SEWER CUSTOMERS OF THE COMPANY'S PROPOSED ANNUAL RATE ADJUSTMENT MECHANISM IN ITS APPLICATION.

A. The proposed ARA Mechanism for sewer customers has many of the same aspects that would negatively impact water distribution customers – cross-subsidization and inequity, lack of transparency, no customer protections from the impacts of inflow and

⁴ S.C. Code Ann. § 58-27-865

infiltration, confusing true-up for over and under recovery, and lack of opportunity for meaningful public participation.

Q. HOW IS THE “PASS-THROUGH” OF A CHANGE IN RATES DIFFERENT THAN A “PASS-THROUGH” IN THE CHANGE OF EXPENSES AS PROPOSED BY BGWC IN ITS APPLICATION?

A. It is important to note that the “pass-through” of a change in rates is fundamentally different than the “pass-through” of a change in expenses. The Company’s requested ARA Mechanism is designed to recover purchased water and wastewater treatment expenses resulting from the corresponding change in rates from the third-party provider. The Company’s proposed ARA Mechanism bases the calculation of the annual rate change to customers on the level of expenses incurred by the Company which includes non-revenue water, changes in customer consumption and inflow and infiltration.

This is different than a dollar-for-dollar “pass-through” in rates as discussed in the example from KIU above. When a third-party provider increases the commodity charge, the customers experience the same increase to their commodity rate and will only be required to pay for their actual usage not an allocation of the total expense.

Q. PLEASE EXPLAIN ORS’S POSITION RELATED TO A DOLLAR-FOR-DOLLAR PASS-THROUGH IN THE CHANGE IN RATES.

A. ORS supports a dollar-for-dollar “pass-through” in the change in rates similar to what has been approved by the Commission for KIU and Ocean Lakes. This method is fair, transparent and understandable for the customer, provides the utility with immediate recovery of the increase in third-party wholesale water and sewer treatment rates, and

provided adequate protections for the customer from the detrimental cost impact of non-revenue water and Inflow and Infiltration ("I&I").

ORS recommends the Commission reject the ARA Mechanism as proposed in the Application and revised by BGWC witness DeStefano's direct testimony. ORS recommends the Commission maintain the current rate design and allow the Company to continue to recover the changes in third-party wholesale water and sewer treatment provider rates as an expense in the next rate proceeding. The Company should be permitted to continue the deferral to account for the change in third-party wholesale provider rates between rate proceedings, which allows for a full review of the cost attributed to non-revenue water and I&I.

Q. HAS ORS DISCUSSED ITS CONCERNS WITH THE COMPANY?

A. Yes. ORS met with the Company on multiple occasions prior to the Company filing the request for an ARA Mechanism in Docket No. 2018-358-WS. ORS and the Company continued discussions until the Company requested and was granted the ability to withdraw its amended application in Docket No. 2018-358-WS.

Q. DID THE COMPANY ALTER THE ANNUAL RATE ADJUSTMENT MECHANISM AS PROPOSED IN THE APPLICATION TO ADDRESS ORS'S CONCERNS?

A. No. The ARA mechanism as proposed by the Company in its Application did not address ORS's areas of concern. However, subsequent to ORS's filing of the Motion for Summary Judgement, the Company filed the direct testimony of BGWC witness DeStefano which provides additional information regarding the process the Company will follow to

1 implement the ARA Mechanism. The Company's response to ORS's Motion for Partial
2 Summary Judgement makes clear the Company believes that the ARA Mechanism is
3 subject to order by the Commission and the Company acknowledged that it was amenable
4 to a hearing in its proposed procedures for the ARA mechanism.⁵ The Company has not
5 proposed any provisions to address the cost impacts on the ARA Mechanism associated
6 with non-revenue water or I&I. However, BGWC accepts the Commission could
7 determine an authorized level of non-revenue water and I&I to be recovered from
8 customers.

9 **Q. PLEASE SUMMARIZE ORS'S RECOMMENDATIONS PERTAINING TO THE**
10 **ANNUAL RATE ADJUSTMENT MECHANISM.**

11 **A.** ORS recommends the Commission deny the Company's request to establish an
12 ARA Mechanism and deny the Company's request for recovery of any costs associated
13 with the annual notification and legal expenses associated with the proposed ARA
14 mechanism. The adjustments to remove pro-forma annual notification and legal expenses
15 is reflected in ORS witness Sullivan Exhibit DFS-5.

16 Alternatively, should the Commission choose to allow an annual rate adjustment
17 mechanism, ORS recommends the Commission require the third-party wholesale water
18 and sewer treatment provider charges (per 1,000 gallon, per unit or per SFE) be billed to
19 and reflected on a Water Distribution and Sewer Collection customer's bill separately, as
20 the actual rate established by the third-party wholesale water and sewer treatment provider

⁵ Pg. 15 BGWC Response and Request that ORS Motion be Denied filed on 1/6/2020; Direct Testimony of Dante DeStefano Page 39

1 that provides service to the Water Distribution or Sewer Collection customer, without
2 mark-up or margin. This rate design provides BGWC customers with easy to understand,
3 transparent and fair rates.

4 For example, if the City of Columbia increases water rates to the Company, the
5 increase will only impact the water distribution customers who receive water from the City
6 of Columbia. Such a rate change from the third-party provider will be reflected dollar-for-
7 dollar without markup or margin. A Water Distribution customer's bill would contain three
8 (3) separate charges: (1) BFC; (2) Water Distribution Charge; and (3) Purchased Water
9 Charge. The Company should be allowed to reflect a change in the rates charged by the
10 third-party provider on the customer's bill after the Company provides written notice to
11 the customers at least thirty (30) days in advance of a future rate change. See Exhibit AMS-
12 7 for proposed tariff language to support ORS's alternative recommendation.

13 ORS's recommendations provide adequate customer protections, allow recovery of
14 the changes in third-party water and sewer treatment in a timely and predictable manner,
15 and maintain the Company's ability to provide safe and reliable service to customers.

16 **Q. WILL YOU UPDATE YOUR TESTIMONY BASED ON INFORMATION THAT**
17 **BECOMES AVAILABLE?**

18 **A.** Yes. ORS reserves the right to revise its recommendations via supplemental
19 testimony should new information not previously provided by the Company, or other
20 sources become available.

21 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

22 **A.** Yes, it does.



ORS BUSINESS OFFICE COMPLIANCE REVIEW

Utility: Blue Granite Water Company
Inspector: Anthony Sandonato, Kyle Maurer and Dane Hunnell
Office: 130 S. Main St, Greenville, SC 29673
Utility Type: Water and Wastewater Utility
Date: July 2018 – June 2019
Company Representative:

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
1	All records and reports available for examination in accordance with R.103-510 and R. 103-710.	X		
2	Complaint records maintained in accordance with R.103-516 and R. 103-716.	X		All customer complaints are inserted into BGWC database which tracks service orders, complaint types and related resolutions.
3	Utility's rates, its rules and regulations, and its up-to-date maps and plans available for public inspection in accordance with R.103-530 and R.103-730.	X		
4	Established procedures to assure that every customer making a complaint is made aware that the utility is under the jurisdiction of the Commission and that the customer has the right to register the complaint in accordance with R.103-530 and R. 103-730.	X		Customers are notified via bill and verbally on the phone
5	Deposits charged within the limits established by R.103-531 and R. 103-731.	X		Customer deposits charged in compliance with regulations
6	Timely and accurate bills being rendered to customers in accordance with R.103-532 and R.103-732.	X		
7	Bill forms in accordance with R.103-532 and R.103-732.	X		Bill form is clear with adequate after-hours emergency contact information.
8	Adjustments of bills handled in accordance with R.103-533 and 103-733.	X		
9	Policy for customer denial or discontinuance of service in accordance with R.103-535 and 103-735.	X		

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
10	Notices sent to customers prior to termination in accordance with R.103-535 and 103-735.	X		
11	Notices filed with the Commission of any violation of PSC or DHEC rules which affect service provided to its customers in accordance with rule R.103-514-C and 103-714-C.		X	ORS found one instance where the Company did not send a DHEC consent order to the Commission within the 14-day window required
12	Utility has adequate means (telephone, etc.) whereby each customer can contact the water and/or wastewater utility at all hours in case of emergency or unscheduled interruptions or service in accordance with R.103-530 and 103-730.	X		Emergency number located on the bill form
13	Records maintained of any condition resulting in any interruption of service affecting its entire system or major division, including a statement of time, duration, and cause of such an interruption in accordance with R.103-514 and 103-714.	X		
14	Utility advised the Commission, in accordance with Rule 103-512 of the name, title, address and telephone number of the person who should be contacted in connection with general management duties, customer relations, engineering operations, and emergencies during non-office hours.	X		
15	Company verified the maps on file with the Commission include all the service area of the company.	X		
16	Number of customers the company has at present time.	NA	NA	BGWC provides service to 16,848 active water and 14,862 active sewer customers.
17	Company has a current performance bond on file with the Commission. Combined Amount of bond: \$700,000	X		BGWC currently has a letter of credit on file with the PSC/ORS. The bond amount is \$350,000 for water service and \$350,000 for sewer service.
18	Company has a current annual report on file with the Office of Regulatory Staff.	X		
19	Company has paid annual Gross Receipts assessment.	X		



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: January 7, 2020
Inspector Name: Anthony Sandonato, Kyle Maurer, Dan Hunnell
Docket Number: 2019-290-WS
Utility Name: Blue Granite Water Company. – Indian Fork/Forty Love
Utility Representative: Bryce Mendenhall, Don Denton, Travis Dupree, Amy Hopkins, Adam James
Number of Customers: 212 customers
System Type (distribution, well, etc): Distribution, purchased water from Richland County
Location of System: Chapin Area
Location of Utility Office: 130 S. Main St, Greenville, SC 29673
Treatment Type: None
Permit #: 3250066
Last SC DHEC Compliance Rating: Needs Improvement November 24, 2015
Frequency checked by Licensed Operator: Daily
Wastewater Provider: Blue Granite Water Company., & septic

	System Components Inspected	Specific Type	#	Capacity	Compliance		Comments
					Yes	No	
1	Well Sites						Purchases water from Richland County
2	Pump Houses						N/A
3	Storage Tank	Pressurized					N/A
3a	Storage Tank	Non-Pressurized					N/A
3b	Storage Tank	Overhead					N/A
4	Chlorinator						N/A
5	Other Chemicals in use						N/A
6	Meters				X		
7	Hydrants				X		Flushing only
8	Electrical Wiring acceptable				X		
9	Piping acceptable				X		
10	System free of leaks				X		
11	Access road adequate				X		
12	Ability for service area to expand				X		

Additional Comments: None.



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: January 7, 2020
Inspector Name: Anthony Sandonato, Kyle Maurer, Dan Hunnell
Docket Number: 2019-290-WS
Utility Name: Blue Granite Water Company. – Stonegate
Utility Representative: Bryce Mendenhall, Don Denton, Travis Dupree, Amy Hopkins, Adam James
Number of Customers: 146 customers
System Type (distribution, well, etc): Distribution, purchased water from City of Columbia
Location of System: Chapin Area
Location of Utility Office: 130 S. Main St, Greenville, SC 29673
Treatment Type: None
Permit #: 4050014
Last SC DHEC Compliance Rating: Unsatisfactory November 2, 2017
Frequency checked by Licensed Operator: Daily
Wastewater Provider: Blue Granite Water Company., & septic

	System Components Inspected	Specific Type	#	Capacity	Compliance		Comments
					Yes	No	
1	Well Sites						Purchases water from City of Columbia
2	Pump Houses						N/A
3	Storage Tank	Pressurized					N/A
3a	Storage Tank	Non-Pressurized					N/A
3b	Storage Tank	Overhead					N/A
4	Chlorinator						N/A
5	Other Chemicals in use						N/A
6	Meters				X		
7	Hydrants				X		Flushing only
8	Electrical Wiring acceptable				X		
9	Piping acceptable				X		
10	System free of leaks				X		
11	Access road adequate				X		
12	Ability for service area to expand				X		

Additional Comments: None.



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: January 7, 2020
Inspector Name: Anthony Sandonato, Kyle Maurer, Dan Hunnell
Docket Number: 2019-290-WS
Utility Name: Blue Granite Water Company. – Oakland Plantation
Utility Representative: Bryce Mendenhall, Don Denton, Travis Dupree, Amy Hopkins, Adam James
Number of Customers: 321 customers
System Type (distribution, well, etc): Well System with Storage
Location of System: Oakland Plantation, Sumter, SC
Location of Utility Office: 130 S. Main St, Greenville, SC 29673
Treatment Type: Disinfection, Phosphates, pH adjustment
Permit #:
Last SC DHEC Compliance Rating:
Frequency checked by Licensed Operator: Daily
Wastewater Provider: Blue Granite Water Company., & septic

	System Components Inspected	Specific Type	#	Capacity	Compliance		Comments
					Yes	No	
1	Well Sites		3				
2	Pump Houses						N/A
3	Storage Tank	Pressurized	3	7,500			
3a	Storage Tank	Non-Pressurized					N/A
3b	Storage Tank	Overhead	1	100,000			
4	Chlorinator						N/A
5	Other Chemicals in use						Sodium carbonate
6	Meters				X		
7	Hydrants				X		Flushing only
8	Electrical Wiring acceptable				X		
9	Piping acceptable				X		
10	System free of leaks				X		
11	Access road adequate				X		
12	Ability for service area to expand				X		

Additional Comments: None.



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: January 8, 2020
Inspector Name: Kyle Maurer, Dan Hunnell
Docket Number: 2019-290-WS
Utility Name: Blue Granite Water Company. – River Hills
Utility Representative: Bryce Mendenhall, Travis Dupree, Amy Hopkins, Adam James
Number of Customers: 4535 customers
System Type (distribution, well, etc): Distribution, purchased water from York County (which is purchased from City of Rock Hill) and City of Charlotte
Location of System: River Hills, Lake Wylie, York County
Location of Utility Office: 130 S. Main St, Greenville, SC 29673
Treatment Type: None
Permit #: 4650006
Last SC DHEC Compliance Rating: Satisfactory November 19, 2018
Frequency checked by Licensed Operator: Daily
Wastewater Provider: Blue Granite Water Company., & septic

	System Components Inspected	Specific Type	#	Capacity	Compliance		Comments
					Yes	No	
1	Well Sites						Purchases water from York County and City of Charlotte
2	Pump Houses						N/A
3	Storage Tank	Pressurized					N/A
3a	Storage Tank	Non-Pressurized					N/A
3b	Storage Tank	Overhead			X		200,000 gal
4	Chlorinator						N/A
5	Other Chemicals in use						N/A
6	Meters				X		
7	Hydrants				X		Fire protection and flushing
8	Electrical Wiring acceptable				X		
9	Piping acceptable				X		
10	System free of leaks				X		
11	Access road adequate				X		
12	Ability for service area to expand				X		

Additional Comments: None.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected:	January 7, 2020
Inspector Name:	Anthony Sandonato, Kyle Maurer, Dan Hunnell
Docket Number:	2019-290-WS
Utility Name:	Blue Granite Water Company. – Oakland Plantation
Utility Representative:	Bryce Mendenhall, Don Denton, Travis Dupree, Amy Hopkins, Adam James
Number of Customers:	321 customers
System Type (collection, force main, lagoon, etc):	Collection, forced main aerated lagoon
Location of System:	Oakland Plantation Subdivision, Sumter County
Location of Utility Office:	130 S. Main St, Greenville, SC 29673
Treatment Type:	Aerated Lagoon/chlorination and dechlorination
Permit #:	SC0030678
Last SC DHEC Compliance Rating:	Satisfactory – April 9, 2018
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Blue Granite Water Company & wells

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator	X		
2	Other chemicals in use	X		Dechlorination using liquid sodium bisulfate; metal scavenger
3	Aerators present	X		2 aerators operating and 2 mixers
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	X		
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable			
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: Discharge to beach creek.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: January 7, 2020
Inspector Name: Anthony Sandonato, Kyle Maurer, Dan Hunnell
Docket Number: 2019-290-WS
Utility Name: Blue Granite Water Company. – Watertgate
Utility Representative: Bryce Mendenhall, Don Denton, Travis Dupree, Amy Hopkins, Adam James
Number of Customers: 315 customers
System Type (collection, force main, lagoon, etc): Collection, forced main, treatment in tanks
Location of System: Lexington County
Location of Utility Office: 130 S. Main St, Greenville, SC 29673
Treatment Type: Collection, treatment in tanks/chlorination/dechlorination
Permit #: SC0027162
Last SC DHEC Compliance Rating: Satisfactory – April 9, 2018
Frequency checked by WWTF Operator: Daily
Drinking Water Provider: Blue Granite Water Company & wells

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator	X		
2	Other chemicals in use	X		
3	Aerators present	X		
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	X		
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable			
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		15
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: None.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: January 7, 2020
Inspector Name: Anthony Sandonato, Kyle Maurer, Dan Hunnell
Docket Number: 2019-290-WS
Utility Name: Blue Granite Water Company. – Friarsgate
Utility Representative: Bryce Mendenhall, Don Denton, Travis Dupree, Amy Hopkins, Adam James
Number of Customers: 3313 customers
System Type (collection, force main, lagoon, etc): Collection, forced main
Location of System: Irmo Area
Location of Utility Office: 130 S. Main St, Greenville, SC 29673
Treatment Type: None – discharge to City of Columbia
Permit #: SSS001018
Last SC DHEC Compliance Rating:
Frequency checked by WWTF Operator: Daily
Drinking Water Provider: City of Columbia

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator			None
2	Other chemicals in use			None
3	Aerators present			None
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition			N/A
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable			N/A
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: Company still has to perform grading on site and a bubble was noted in the equalization basin.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: January 7, 2020
Inspector Name: Anthony Sandonato, Kyle Maurer, Dan Hunnell
Docket Number: 2019-290-WS
Utility Name: Blue Granite Water Company. – Forty Love
Utility Representative: Bryce Mendenhall, Don Denton, Travis Dupree, Amy Hopkins, Adam James
Number of Customers: 135 customers
System Type (collection, force main, lagoon, etc): Collection, forced main
Location of System: Chapin Area
Location of Utility Office: 130 S. Main St, Greenville, SC 29673
Treatment Type: None – discharge to Richland County
Permit #: SSS000754
Last SC DHEC Compliance Rating:
Frequency checked by WWTF Operator: Daily
Drinking Water Provider: Blue Granite Water Company

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator			None
2	Other chemicals in use			None
3	Aerators present			None
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition			N/A
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable			
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable			N/A
14	Lift Stations present	X		
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: None.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: January 7, 2020
Inspector Name: Anthony Sandonato, Kyle Maurer, Dan Hunnell
Docket Number: 2019-290-WS
Utility Name: Blue Granite Water Company. – Stonegate
Utility Representative: Bryce Mendenhall, Don Denton, Travis Dupree, Amy Hopkins, Adam James
Number of Customers: 143 customers
System Type (collection, force main, lagoon, etc): Collection, forced main
Location of System: Chapin Area
Location of Utility Office: 130 S. Main St, Greenville, SC 29673
Treatment Type: None – discharge to Richland County
Permit #: SSS000753
Last SC DHEC Compliance Rating:
Frequency checked by WWTF Operator:
Drinking Water Provider: Blue Granite Water Company

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator			None
2	Other chemicals in use			None
3	Aerators present			None
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition			N/A
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable			
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable			N/A
14	Lift Stations present	X		
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: None.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected:	January 8, 2020
Inspector Name:	Kyle Maurer, Dan Hunnell
Docket Number:	2019-290-WS
Utility Name:	Blue Granite Water Company. – River Hills
Utility Representative:	Bryce Mendenhall, Travis Dupree, Amy Hopkins, Adam James
Number of Customers:	4535 customers
System Type (collection, force main, lagoon, etc):	Collection, forced main
Location of System:	River Hills, Lake Wylie, York County
Location of Utility Office:	130 S. Main St, Greenville, SC 29673
Treatment Type:	None – discharged to York County (ultimate treatment and discharge by City of Rock Hill)
Permit #:	SSS000752
Last SC DHEC Compliance Rating:	N/A
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Blue Granite Water Company

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator			None
2	Other chemicals in use			None
3	Aerators present			None
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition			None
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable			N/A
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable			N/A
14	Lift Stations present	X		70 active
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: None.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected:	January 8, 2020
Inspector Name:	Kyle Maurer, Dan Hunnell
Docket Number:	2019-290-WS
Utility Name:	Blue Granite Water Company. – Shandon
Utility Representative:	Bryce Mendenhall, Travis Dupree, Amy Hopkins, Adam James
Number of Customers:	38 customers
System Type (collection, force main, lagoon, etc):	Collection, package plant
Location of System:	Shandon, Rock Hill, York County
Location of Utility Office:	130 S. Main St, Greenville, SC 29673
Treatment Type:	Activated sludge
Permit #:	SC0027189
Last SC DHEC Compliance Rating:	Satisfactory – June 23, 2016
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Blue Granite Water Company

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator	X		
2	Other chemicals in use	X		Phosphorus and de-chlorination treatment
3	Aerators present	X		
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition			None
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable			N/A
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present			None
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: Company replaced lagoon system with a small package plant in 2014. Lagoon used as equalization basin as needed.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected:	January 8, 2020
Inspector Name:	Kyle Maurer, Dan Hunnell
Docket Number:	2019-290-WS
Utility Name:	Blue Granite Water Company. – Carowoods
Utility Representative:	Bryce Mendenhall, Travis Dupree, Amy Hopkins, Adam James
Number of Customers:	54 customers
System Type (collection, force main, lagoon, etc):	Collection, package plant
Location of System:	Carowoods, Rock Hill, York County
Location of Utility Office:	130 S. Main St, Greenville, SC 29673
Treatment Type:	Activated sludge
Permit #:	SC0038113
Last SC DHEC Compliance Rating:	Satisfactory – April 9, 2018
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Blue Granite Water Company

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator	X		Tablets
2	Other chemicals in use	X		Sodium Sulfite
3	Aerators present	X		
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition			None
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable			N/A
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		2 Lift Stations
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: Blowers housed to reduce noise. Plant contains digester.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected:	January 8, 2020
Inspector Name:	Kyle Maurer, Dan Hunnell
Docket Number:	2019-290-WS
Utility Name:	Blue Granite Water Company. – Fairwood
Utility Representative:	Bryce Mendenhall, Travis Dupree, Amy Hopkins, Adam James
Number of Customers:	94 customers
System Type (collection, force main, lagoon, etc):	Collection, package plant
Location of System:	Fairwood, Union County
Location of Utility Office:	130 S. Main St, Greenville, SC 29673
Treatment Type:	Activated sludge
Permit #:	SC00570020
Last SC DHEC Compliance Rating:	Non-compliance – February 18, 2015
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Blue Granite Water Company

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator	X		Sodium Hypochlorite
2	Other chemicals in use	X		Sodium Thiosulfate, Sodium Bicarbonate
3	Aerators present	X		
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition			None
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable			N/A
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present			
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: New chlorine contact chamber in 2019.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected:	January 9, 2020
Inspector Name:	Anthony Sandonato, Kyle Maurer, Dan Hunnell
Docket Number:	2019-290-WS
Utility Name:	Blue Granite Water Company. – Chambert Forest
Utility Representative:	Bryce Mendenhall, Don Denton, Travis Dupree, Amy Hopkins, Adam James
Number of Customers:	165 customers
System Type (collection, force main, lagoon, etc):	Collection, gravity flow to activated sludge process
Location of System:	Chambert Forest, Anderson County
Location of Utility Office:	130 S. Main St, Greenville, SC 29673
Treatment Type:	Activated sludge
Permit #:	SC0024716
Last SC DHEC Compliance Rating:	Unsatisfactory – February 19, 2017
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Star-Iva Water and Sewer District

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator	X		Liquid Injection
2	Other chemicals in use	X		Sodium bicarbonate hydrated lime
3	Aerators present	X		Mixer and extended air
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition			N/A
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable			
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: None.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected:	January 9, 2020
Inspector Name:	Anthony Sandonato, Kyle Maurer, Dan Hunnell
Docket Number:	2019-290-WS
Utility Name:	Blue Granite Water Company. – Canterbury
Utility Representative:	Bryce Mendenhall, Don Denton, Travis Dupree, Amy Hopkins, Adam James
Number of Customers:	151 customers
System Type (collection, force main, lagoon, etc):	Collection, gravity flow to activated sludge process
Location of System:	Canterbury, Greenville County
Location of Utility Office:	130 S. Main St, Greenville, SC 29673
Treatment Type:	Activated sludge
Permit #:	SC0028941
Last SC DHEC Compliance Rating:	Satisfactory – March 20, 2017
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Greenville

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator	X		
2	Other chemicals in use	X		Sodium bicarbonate as needed
3	Aerators present	X		Mixer and extended air
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition			N/A
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable			
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: None.

Office of Regulatory Staff

ORS Calculated Revenue

Blue Granite Water Company

Docket No. 2019-290-WS

ORS Calculated Revenue Summary - BGWC (Service Territory #1 and Service Territory #2)

A	B	C	D	E
Operating Revenue	ORS Calculated Test Year Revenue	Additional Revenue at ORS Calculated Rates	Revenue at ORS Calculated Rates	% Increase
Service Territory 1 - Well Water	\$1,022,329	\$409,274	\$1,431,603	40%
Service Territory 1 - Purchased Water	\$5,557,459	\$2,222,785	\$7,780,244	40%
Service Territory 1 - Water - Misc. Revenue	\$84,650	\$9,249	\$93,900	11%
Total Service Territory 1 Water	\$6,664,438	\$2,641,308	\$9,305,747	40%
Service Territory 2 - Well Water	\$3,917,788	\$830,780	\$4,748,568	21%
Service Territory 2 - Purchased Water	\$1,651,814	\$350,345	\$2,002,159	21%
Service Territory 2 - Water - Misc. Revenue	\$115,189	\$7,425	\$122,615	6%
Total Service Territory 2 Water	\$5,684,791	\$1,188,550	\$6,873,342	21%
Service Territory 1 & 2 - Sewer	\$11,434,254	\$4,645,341	\$16,079,595	41%
Service Territory 1 & 2 - Sewer - Misc. Revenue	\$249,770	\$50,063	\$299,834	20%
Total Service Revenue Sewer	\$11,684,024	\$4,695,405	\$16,379,429	40%
Total Water and Sewer Service Revenues	\$24,033,254	\$8,525,263	\$32,558,517	35%

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

ORS Calculated Revenue at Current Rates - Service Territory 1							
A	B	C	D	E	F	G	H
	Customer Classification	Average Monthly Consumption per Customer ¹	Usage Charge per 1,000 gallons	Test Year End Customers ¹	Annualized Service Units	Base Facility Charge (BFC)	Test Year Revenue (F*D+C/1000) + (F*G)
WATER	400PWCOM - 1" Purchase Water Commercial	12,561	\$7.55	5	60	\$37.43	\$7,936
	400PWCOM - 1.5" Purchase Water Commercial	1,166	\$7.55	1	12	\$74.86	\$1,004
	400PWCOM - 2" Purchase Water Commercial	60,650	\$7.55	7	84	\$119.78	\$48,526
	400PWCOM - 3" Purchase Water Commercial	108,723	\$7.55	1	12	\$224.59	\$12,545
	400PWCOM - 3/4" Purchase Water Commercial	0	\$7.55	2	24	\$14.38	\$345
	400PWCOM - 5/8" Purchase Water Commercial	7,336	\$7.55	20	240	\$14.38	\$16,744
	400PWCRH - 1" Purchase Water Commercial - Riverhills	12,212	\$7.55	41	492	\$37.43	\$63,778
	400PWCRH - 1.5" Purchase Water Commercial - Riverhills	35,220	\$7.55	38	456	\$74.86	\$155,392
	400PWCRH - 2" Purchase Water Commercial - Riverhills	66,720	\$7.55	43	516	\$119.78	\$321,734
	400PWCRH - 3" Purchase Water Commercial - Riverhills	121,237	\$7.55	5	60	\$224.59	\$68,396
	400PWCRH - 3/4" Purchase Water Commercial - Riverhills	4,500	\$7.55	22	264	\$14.38	\$12,766
	400PWCRH - 4" Purchase Water Commercial - Riverhills	107,190	\$7.55	3	36	\$374.42	\$42,613
	400PWCRH - 5/8" Purchase Water Commercial - Riverhills	6,137	\$7.55	101	1,212	\$14.38	\$73,586
	400PWCRH - 8" Purchase Water Commercial - Riverhills	592,148	\$7.55	1	12	\$1,150.51	\$67,455
	400PWRES - 1" Purchase Water Residential	3,302	\$7.55	88	1,056	\$14.38	\$41,511
	400PWRES - 1.5" Purchase Water Residential	1,845	\$7.55	56	672	\$14.38	\$19,024
	400PWRES - 2" Purchase Water Residential	2,957	\$7.55	93	1,116	\$14.38	\$40,963
	400PWRES - 3/4" Purchase Water Residential	10,752	\$7.55	1	12	\$14.38	\$1,147
	400PWRES - 4" Purchase Water Residential	599	\$7.55	16	192	\$14.38	\$3,629
	400PWRES - 5/8" Purchase Water Residential	4,636	\$7.55	3,028	36,336	\$14.38	\$1,794,337
	400PWRRH - Purchase Water Res - RH (All Meter Sizes)	4,610	\$7.55	4,683	56,196	\$14.38	\$2,764,028
	400WCOM - 1" Commercial	611	\$5.59	1	12	\$37.43	\$490
	400WCOM - 5/8" Commercial	7,998	\$5.59	7	84	\$14.38	\$4,963
	400WCIR - Commercial Irrigation	30,295	\$7.55	16	192	\$0.00	\$43,916
	400WRIR - Residential Irrigation	7,412	\$7.55	212	2,544	\$0.00	\$142,364
	400WRES - Water Residential (All Meter Sizes)	4,716	\$5.59	1,545	18,540	\$14.38	\$755,365
	402WRES - Water Residential (All Meter Sizes)	3,948	\$5.59	172	2,064	\$14.38	\$75,231
	Water Service Total						\$6,579,788
	Miscellaneous Revenues - Late Fees						\$23,123
	New Customer Charges						\$28,731
	Miscellaneous Service Revenue						\$36
	NSF Check & Reconnect Fee						\$32,760
	Total Miscellaneous Revenues						\$84,650
	Total Operating Revenues						\$6,664,438

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

Revenue at ORS Calculated Rates - Service Territory 1

A	B	C	D	E	F	G	H
	Customer Classification	Average Monthly Consumption per Customer ¹	Usage Charge per 1,000 gallons	Test Year End Customers	Annualized Service Units	Base Facility Charge (BFC)	Test Year Revenue (F*G+C/1000) + (F*G)
WATER	400PWCOM - 1" Purchase Water Commercial	12,561	\$10.57	5	60	\$52.40	\$11,110
	400PWCOM - 1.5" Purchase Water Commercial	1,166	\$10.57	1	12	\$104.80	\$1,405
	400PWCOM - 2" Purchase Water Commercial	60,650	\$10.57	7	84	\$167.69	\$67,936
	400PWCOM - 3" Purchase Water Commercial	108,723	\$10.57	1	12	\$314.43	\$17,564
	400PWCOM - 3/4" Purchase Water Commercial	0	\$10.57	2	24	\$20.13	\$483
	400PWCOM - 5/8" Purchase Water Commercial	7,336	\$10.57	20	240	\$20.13	\$23,441
	400PWCRI - 1" Purchase Water Commercial - Riverhills	12,212	\$10.57	41	492	\$52.40	\$89,289
	400PWCRI - 1.5" Purchase Water Commercial - Riverhills	35,220	\$10.57	38	456	\$104.80	\$217,546
	400PWCRI - 2" Purchase Water Commercial - Riverhills	66,720	\$10.57	43	516	\$167.69	\$450,427
	400PWCRI - 3" Purchase Water Commercial - Riverhills	121,237	\$10.57	5	60	\$314.43	\$95,754
	400PWCRI - 3/4" Purchase Water Commercial - Riverhills	4,500	\$10.57	22	264	\$20.13	\$17,871
	400PWCRI - 5/8" Purchase Water Commercial - Riverhills	107,190	\$10.57	3	36	\$524.19	\$59,659
	400PWCRI - 8" Purchase Water Commercial - Riverhills	6,137	\$10.57	101	1,212	\$20.13	\$103,018
	400PWCRI - 1" Purchase Water Residential - Riverhills	592,148	\$10.57	1	12	\$1,610.71	\$94,437
	400PWRES - 1" Purchase Water Residential	3,302	\$10.57	88	1,056	\$20.13	\$58,114
	400PWRES - 1.5" Purchase Water Residential	1,845	\$10.57	56	672	\$20.13	\$26,632
	400PWRES - 2" Purchase Water Residential	2,957	\$10.57	93	1,116	\$20.13	\$57,346
	400PWRES - 3/4" Purchase Water Residential	10,752	\$10.57	1	12	\$20.13	\$1,605
	400PWRES - 4" Purchase Water Residential	599	\$10.57	16	192	\$20.13	\$5,081
	400PWRES - 5/8" Purchase Water Residential	4,636	\$10.57	3,028	36,336	\$20.13	\$2,511,999
	400PWRRH - Purchase Water Res - RH (All Meter Sizes)	4,610	\$10.57	4,683	56,196	\$20.13	\$3,869,527
	400WCOM - 1" Commercial	611	\$7.83	1	12	\$52.40	\$686
	400WCOM - 5/8" Commercial	7,998	\$7.83	7	84	\$20.13	\$6,951
	400WCIR - Commercial Irrigation	30,295	\$10.57	16	192	\$0.00	\$61,482
	400WRIK - Residential Irrigation	7,412	\$10.57	212	2,544	\$0.00	\$199,309
	400WRES - Water Residential (All Meter Sizes)	4,716	\$7.83	1,545	18,540	\$20.13	\$1,057,823
	402WRES - Water Residential (All Meter Sizes)	3,948	\$7.83	172	2,064	\$20.13	\$105,352
Water Service Total							\$9,211,847
Miscellaneous Revenues - Late Fees							\$32,372
New Customer Charges							\$28,731
Miscellaneous Service Revenue							\$36
NSF Check & Reconnect Fee							\$32,760
Total Miscellaneous Revenues							\$93,900
Total Operating Revenues							\$9,305,747

¹ From Response to EO#1 Updated 1 4

x from wp k

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

ORS Calculated Revenue at Current Rates - Service Territory 2

A	B	C	D	E	F	G	H
	Customer Classification	Average Monthly Consumption per Customer ¹	Usage Charge per 1,000 gallons	Test Year End Customers ¹	Annualized Service Units	Base Facility Charge (BFC)	Test Year Revenue (F*D*C/1000) + (F*G)
WATER	401WCOM - 5/8" Commercial Water Service	8,498	\$10.27	1	12	\$28.59	\$1,390
	401WCOM - 1" Commercial Water Service	1,006	\$10.27	2	24	\$79.59	\$2,158
	401WCOM - 1.5" Commercial Water Service	5,492	\$10.27	1	12	\$146.27	\$2,432
	401WCOM - 3" Commercial Water Service	3,820	\$10.27	3	36	\$499.14	\$19,381
	401WRES - Water Residential (All Meter Sizes)	3,880	\$10.27	4,641	55,692	\$28.59	\$3,811,427
	401PWRFW - Foxwood Purchased Water	1,089	\$11.85	210	2,520	\$28.59	\$104,567
	401WRPUR - 1" Water Distribution and Purchased Water Charge	22,758	\$11.85	4	48	\$28.59	\$14,317
	401WRPUR - 2" Water Distribution and Purchased Water Charge	33,126	\$11.85	18	216	\$28.59	\$90,965
	401WRPUR - 3/4" Water Distribution and Purchased Water Charge	23,996	\$11.85	1	12	\$28.59	\$3,755
	401WRPUR - 5/8" Water Distribution and Purchased Water Charge	3,640	\$11.85	1,671	20,052	\$28.59	\$1,438,210
	403WRES - Water Residential (All Meter Sizes)	4,685	\$10.27	88	1,056	\$28.59	\$81,000
	Water Service Total						\$5,569,602
	Miscellaneous Revenues - Late Fees						\$35,884
	New Customer Charges						\$21,985
	Miscellaneous Service Revenue						\$0
	NSF Check & Reconnect Fee						\$57,320
	Total Miscellaneous Revenues						\$115,189
	Total Operating Revenues						\$5,684,791

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

Revenue at ORS Calculated Rates - Service Territory 2

A	B	C	D	E	F	G	H
	Customer Classification	Average Monthly Consumption per Customer ^x	Usage Charge per 1,000 gallons	Test Year End Customers ¹	Annualized Service Units	Base Facility Charge (BFC)	Test Year Revenue (F*D*C/1000) + (F*G)
WATER	401WCOM - 5/8" Commercial Water Service	8,498	\$12.43	1	12	\$34.74	\$1,684
	401WCOM - 1" Commercial Water Service	1,006	\$12.43	2	24	\$96.30	\$2,611
	401WCOM - 1.5" Commercial Water Service	5,492	\$12.43	1	12	\$177.72	\$2,952
	401WCOM - 3" Commercial Water Service	3,820	\$12.43	3	36	\$576.51	\$22,464
	401WRES - Water Residential (All Meter Sizes)	3,880	\$12.43	4,641	55,692	\$34.74	\$4,620,676
	401PWRFW - Foxwood Purchased Water	1,089	\$14.34	210	2,520	\$34.74	\$126,898
	401WRPUR - 1" Water Distribution and Purchased Water Charge	22,758	\$14.34	4	48	\$34.74	\$17,332
	401WRPUR - 2" Water Distribution and Purchased Water Charge	33,126	\$14.34	18	216	\$34.74	\$110,110
	401WRPUR - 3/4" Water Distribution and Purchased Water Charge	23,996	\$14.34	1	12	\$34.74	\$4,546
	401WRPUR - 5/8" Water Distribution and Purchased Water Charge	3,640	\$14.34	1,671	20,052	\$34.74	\$1,743,273
	403WRES - Water Residential (All Meter Sizes)	4,685	\$12.43	88	1,056	\$34.74	\$98,181
	Water Service Total						\$6,750,727
	Miscellaneous Revenues - Late Fees						\$43,310
	New Customer Charges						\$21,985
	Miscellaneous Service Revenue						\$0
	NSF Check & Reconnect Fee						\$57,320
	Total Miscellaneous Revenues						\$122,615
	Total Operating Revenues						\$6,873,342

¹ From Response to EO#1 Updated 1.4
x from vp.k

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

ORS Calculated Revenue at Current Rates - Service Territory 1 & 2

A	B	C	D	F	G
	Customer Classification	Test Year End Customers	Annualized Service Units 1	BFC	Test Year Revenues (D*F)
SEWER	400WWCOM - WW Commercial (All Meter Sizes)	233	2,796	\$65.08	\$181,964
	400WWCRH - Commercial WW Treatment - RH (All Meter Sizes)	1,896	22,752	\$65.08	\$1,480,700
	400WWRCP - Residential WW Service (All Meter Sizes)	414	4,968	\$65.08	\$323,317
	400WWRES - WW Residential (All Meter Sizes)	6,171	74,052	\$65.08	\$4,819,304
	400WWRBJ - Residential WW Service (All Meter Sizes)	89	1,068	\$65.08	\$69,505
	400WWRRH - Residential WW Treatment - YC (All Meter Sizes)	4,455	53,460	\$65.08	\$3,479,177
	400WWRTC - Town of Chapin Purchase WW Res (All Meter Sizes)	88	1,056	\$65.08	\$68,724
	400WWTRL - WW Trailer Residential (All Meter Sizes)	2	24	\$47.50	\$1,140
	400WWTRT - Van Arsdale WW Treatment (All Meter Sizes)	2	24	\$33.86	\$813
	400WWCCP - Commercial Wastewater Service (Richland County)	2	24	\$65.08	\$1,562
	400WWRHT - Riverhills WW Treatment (All Meter Sizes)	10	120	\$65.08	\$7,810
	401WWRES - Residential WW Service (All Meter Sizes)	358	4,296	\$65.08	\$279,584
	401WWCOM - Commercial WW Treatment - (All Meter Sizes)	16	192	\$65.08	\$12,495
	403WWRES - Residential WW Service (All Meter Sizes)	593	7,116	\$65.08	\$463,109
	403WWMOB - Mobile Home Wastewater Service	174	2,088	\$47.50	\$99,180
	403WWVLG - Wastewater Residential Collection Charge	359	4,308	\$33.86	\$145,869
Sewer Service Total			178,344		\$11,434,254
	Miscellaneous Revenues - Late Fees				\$79,143
	New Customer Charges				\$39,595
	Miscellaneous Service Revenue				\$113,153
	NSF Check & Reconnect Fee				\$17,880
Total Miscellaneous Revenues					\$249,770
Total Operating Revenues					\$11,684,024

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

Revenue at ORS Calculated Rates - Service Territory 1 & 2

A	B	C	D	F	G
	Customer Classification	Test Year End Customers ¹	Annualized Service Units ¹	BFC	Test Year Revenues (D*F)
SEWER	400WWCOM - WW Commercial (All Meter Sizes)	233	2,796	\$91.52	\$255,890
	400WWCRH - Commercial WW Treatment - RH (All Meter Sizes)	1,896	22,752	\$91.52	\$2,082,263
	400WWRCP - Residential WW Service (All Meter Sizes)	414	4,968	\$91.52	\$454,671
	400WWRES - WW Residential (All Meter Sizes)	6,171	74,052	\$91.52	\$6,777,239
	400WWRBJ - Residential WW Service (All Meter Sizes)	89	1,068	\$91.52	\$97,743
	400WWRRH - Residential WW Treatment - YC (All Meter Sizes)	4,455	53,460	\$91.52	\$4,892,659
	400WWRTC - Town of Chapin Purchase WW Res (All Meter Sizes)	88	1,056	\$91.52	\$96,645
	400WWTRL - WW Trailer Residential (All Meter Sizes)	2	24	\$66.79	\$1,603
	400WWTRT - Van Arsdale WW Treatment (All Meter Sizes)	2	24	\$91.52	\$2,196
	400WWCCP - Commercial Wastewater Service (Richland County)	2	24	\$91.52	\$2,196
	400WWRHT - Riverhills WW Treatment (All Meter Sizes)	10	120	\$91.52	\$10,982
	401WWRES - Residential WW Service (All Meter Sizes)	358	4,296	\$91.52	\$393,170
	401WWCOM - Commercial WW Treatment - (All Meter Sizes)	16	192	\$91.52	\$17,572
	403WWRES - Residential WW Service (All Meter Sizes)	593	7,116	\$91.52	\$651,256
	403WWMOB - Mobile Home Wastewater Service	174	2,088	\$66.79	\$139,458
	403WWVLG - Wastewater Residential Collection Charge	359	4,308	\$47.61	\$205,104
Sewer Service Total			178,344		\$16,079,595
	Miscellaneous Revenues - Late Fees				\$111,293
	New Customer Charges				\$39,595
	Miscellaneous Service Revenue				\$131,066
	NSF Check & Reconnect Fee				\$17,880
Total Miscellaneous Revenues					\$299,834
Total Operating Revenues					\$16,379,429

¹ From Response to EO#1 Updated 1.4

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

Per Books					
	ST1	ST2	ST1&2	Total	
	W	W	S		
Miscellaneous Revenues - Late Fees	\$ 23,123	\$ 35,884	\$ 79,143	\$ 138,151	
New Customer Charges	\$ 28,731	\$ 21,985	\$ 39,595	\$ 90,311	
Miscellaneous Service Revenue	\$ 36	\$ -	\$ 108,803	\$ 108,839	
NSF Check & Reconnect Fee	\$ 32,760	\$ 57,320	\$ 17,880	\$ 107,960	
Total Miscellaneous Revenues	\$ 84,650	\$ 115,189	\$ 245,420	\$ 445,260	
Pro Forma					
	ST1	ST2	ST1&2	Total	Adjustment
	W	W	S		
Miscellaneous Revenues - Late Fees	\$ 23,123	\$ 35,884	\$ 79,143	\$ 138,151	\$ -
New Customer Charges	\$ 28,731	\$ 21,985	\$ 39,595	\$ 90,311	\$ -
Miscellaneous Service Revenue	\$ 36	\$ -	\$ 113,153	\$ 113,189	\$ 4,350
NSF Check & Reconnect Fee	\$ 32,760	\$ 57,320	\$ 17,880	\$ 107,960	\$ -
Total Miscellaneous Revenues	\$ 84,650	\$ 115,189	\$ 249,770	\$ 449,610	\$ 4,350
After ORS Calculated Rates					
	ST1	ST2	ST1&2	Total	Adjustment
	W	W	S		
Miscellaneous Revenues - Late Fees	\$ 32,372	\$ 43,310	\$ 111,293	\$ 186,975	\$ 48,824
New Customer Charges	\$ 28,731	\$ 21,985	\$ 39,595	\$ 90,311	\$ -
Miscellaneous Service Revenue	\$ 36	\$ -	\$ 131,066	\$ 131,102	\$ 17,913
NSF Check & Reconnect Fee	\$ 32,760	\$ 57,320	\$ 17,880	\$ 107,960	\$ -
Total Miscellaneous Revenues	\$ 93,900	\$ 122,615	\$ 299,834	\$ 516,348	\$ 66,738

Office of Regulatory Staff
ORS Calculated Customer Growth
Blue Granite Water Company
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Customer Growth	Service Territory 1		Service Territory 2		Service Territory 1 & 2		Consolidated
	Water		Water		Sewer		
Date	# of Customers		# of Customers		# of Customers		# of Customers
6/30/2018	9,800		6,628		14,277		30,705
6/30/2019	10,208		6,640		14,862		31,710
Average	10,004		6,634		14,570		31,208
Growth Factor	2.0392%		0.0904%		2.0076%		1.6102%

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SCHEDULE OF PROPOSED RATES AND CHARGES

WATER

Service Territory 1

Monthly Charges - Water Supply Customers Only

Where water is supplied by wells owned and operated by the Utility, the following rates apply:

	<u>Current</u>	<u>Company Proposed</u>	<u>ORS Calculated</u>
<u>Residential</u>			
Base Facilities Charge per single-family house, condominium, mobile home, or apartment unit	\$ 14.38 per unit	\$ 22.09 per unit	\$ 20.13 per unit
Residential Commodity Charge	\$ 5.59 per 1,000 gal. or 134 cft.	\$ 8.59 per 1,000 gal. or 134 cft.	\$ 7.83 per 1,000 gal. or 134 cft.
<u>Commercial</u>			
Base Facilities Charge by meter size			
5/8" meter *	\$ 14.38 per unit	\$ 22.09 per unit	\$ 20.13 per unit
3/4" meter	\$ 14.38 per unit	\$ 22.09 per unit	\$ 20.13 per unit
1" meter	\$ 37.43 per unit	\$ 55.24 per unit	\$ 52.40 per unit
1.5" meter	\$ 74.86 per unit	\$ 110.47 per unit	\$ 104.80 per unit
2" meter	\$ 119.78 per unit	\$ 176.76 per unit	\$ 167.69 per unit
3" meter	\$ 224.59 per unit	\$ 331.42 per unit	\$ 314.43 per unit
4" meter	\$ 374.42 per unit	\$ 552.37 per unit	\$ 524.19 per unit
8" meter	\$1,150.51 per unit	\$1,767.59 per unit	\$1,610.71 per unit
Commercial Commodity Charge	\$ 5.59 per 1,000 gal or 134 cft.	\$ 8.59 per 1,000 gal. or 134 cft.	\$ 7.83 per 1,000 gal. or 134 cft.

Monthly Charges - Water Distribution Customers Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Utility, the following rates apply:

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	Current	Company Proposed	ORS Calculated
<u>Residential</u>			
Base Facilities Charge per single-family house, condominium, mobile home, or apartment unit	\$14.38 per unit \$ 7.55 per 1,000 gal. or 134 cft.	\$22.09 per unit \$ 4.75 per 1,000 gal. or 134 cft.	\$20.13 per unit \$ 10.57 per 1,000 gal. or 134 cft.
Residential Distribution Charge			
Purchased Water Charge	\$ N/A per 1,000 gal. or 134 cft.	\$ 6.85 per 1,000 gal. or 134 cft.	\$ N/A per 1,000 gal. or 134 cft.
<u>Commercial</u>			
Base Facilities Charge by meter size			
5/8" meter *	\$ 14.38 per unit	\$ 22.09 per unit	\$ 20.13 per unit
3/4" meter	\$ 14.38 per unit	\$ 22.09 per unit	\$ 20.13 per unit
1" meter	\$ 37.43 per unit	\$ 55.24 per unit	\$ 52.40 per unit
1.5" meter	\$ 74.86 per unit	\$ 110.47 per unit	\$ 104.80 per unit
2" meter	\$ 119.78 per unit	\$ 176.76 per unit	\$ 167.69 per unit
3" meter	\$ 224.59 per unit	\$ 331.42 per unit	\$ 314.43 per unit
4" meter	\$ 374.42 per unit	\$ 552.37 per unit	\$ 524.19 per unit
8" meter	\$1,150.51 per unit	\$1,767.59 per unit	\$1,610.71 per unit
Commercial Distribution Charge	\$ 7.55 per 1,000 gal. or 134 cft.	\$ 4.75 per 1,000 gal. or 134 cft.	\$ 10.57 per 1,000 gal. or 134 cft.
Purchased Water Charge	\$ N/A per 1,000 gal. or 134 cft.	\$ 6.85 per 1,000 gal. or 134 cft.	\$ N/A per 1,000 gal. or 134 cft.

*A "Fire Line" customer will be billed a monthly base facilities charge of a 5/8" meter or at the rate of any other meter size used as a detector.

Hydrant Meter Program

A contractor, developer, or other commercial customer (the "Hydrant Customer") requiring water service for a limited duration, where no other water service is available to the customer, may, where practicable, take water service from the Utility's nearest available hydrant. In such cases, the Hydrant Customer shall obtain from the Utility a 2-inch meter and affix the meter to the hydrant(s) closest to its work site(s). The Hydrant Customer shall be charged the appropriate Base Facilities Charge for a 2-inch meter and for actual water consumption. Every 25 to 35 days, the Hydrant Customer shall make the meter available to the Utility for the reading of its water usage and associated monthly billing. In addition, the Hydrant Customer shall pay Utility a deposit of \$1,100.00, which represents the approximate cost of the meter, prior to receiving the 2-inch meter. The Utility shall refund the Hydrant Customer's deposit upon the prompt return of the meter in good working order. If the meter is lost or determined to be damaged upon return, the Utility may withhold all, or a portion, of the deposit amount as reasonable compensation for the Utility's loss.

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Service Territory 2

Monthly Charges - Water Supply Customers

Where water is supplied by wells owned and operated by the Utility, the following rates apply:

	<u>Current</u>	<u>Company Proposed</u>	<u>ORS Calculated</u>
<u>Residential</u>			
Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:	\$28.59 per unit	\$38.58 per unit	\$34.74 per unit
Residential Commodity Charge	\$10.27 per 1,000 gal. or 134 cft	\$13.86 per 1,000 gal. or 134 cft	\$12.43 per 1,000 gal or 134 cft.
<u>Commercial</u>			
Base Facilities Charge by meter size			
5/8" meter*	\$ 28.59 per unit	\$ 38.58 per unit	\$ 34.74 per unit
1" meter	\$ 79.59 per unit	\$ 96.45 per unit	\$ 96.30 per unit
1.5" meter	\$ 146.27 per unit	\$192.89 per unit	\$177.72 per unit
3" meter	\$ 499.14 per unit	\$578.67 per unit	\$576.51 per unit
Commercial Distribution Charge	\$10.27 per 1,000 gal. or 134 cft.	\$13.86 per 1,000 gal. or 134 cft.	\$12.43 per 1,000 gal or 134 cft.

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Monthly Charges - Water Distribution Customers Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Utility, the following rates apply:

	<u>Current</u>	<u>Company Proposed</u>	<u>ORS Calculated</u>
<u>Residential</u>			
Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:	\$ 28.59 per unit	\$ 38.58 per unit	\$ 37.74 per unit
Residential Distribution Charge	\$11.85 per 1,000 gal. or 134 cft.	\$ 4.91 per 1,000 gal. or 134 cft.	\$ 14.34 per 1,000 gal. or 134 cft.
Purchased Water Charge	\$ N/A per 1,000 gal. or 134 cft.	\$ 11.08 per 1,000 gal. or 134 cft.	\$ N/A per 1,000 gal. or 134 cft.
<u>Commercial</u>			
Base Facilities Charge by meter size:			
5/8" meter*	\$ 28.59 per unit	\$ 38.58 per unit	\$ 34.74 per unit
1" meter	\$ 79.59 per unit	\$ 96.45 per unit	\$ 96.30 per unit
1.5" meter	\$ 146.27 per unit	\$192.89 per unit	\$177.72 per unit
3" meter	\$ 499.14 per unit	\$578.67 per unit	\$576.51 per unit
Commercial Distribution Charge	\$ 11.85 per 1,000 gal. or 134 cft.	\$ 4.91 per 1,000 gal. or 134 cft.	\$12.43 per 1,000 gal. or 134 cft.
Purchased Water Charge	\$ N/A per 1,000 gal. or 134 cft.	\$ 11.08 per 1,000 gal. or 134 cft.	\$ N/A per 1,000 gal. or 134 cft.

***A "Fire Line" customer will be billed a monthly base facilities charge of a 5/8" meter or at the rate of any other meter size used as a detector.**

Hydrant Meter Program

A contractor, developer, or other commercial customer (the "Hydrant Customer") requiring water service for a limited duration, where no other water service is available to the customer, may, where practicable, take water service from the Utility's nearest available hydrant. In such cases, the Hydrant Customer shall obtain from the Utility a 2-inch meter and affix the meter to the hydrant(s) closest to its work site(s). The Hydrant Customer shall be charged the appropriate Base Facilities Charge for a 2-inch meter and for actual water consumption. Every 25 to 35 days, the Hydrant Customer shall make the meter available to the Utility for the reading of its water usage and associated monthly billing. In addition, the Hydrant Customer shall pay Utility a deposit of \$1,100.00, which represents the approximate cost of the meter, prior to receiving the 2-inch meter. The Utility shall refund the Hydrant Customer's deposit upon the prompt return of the meter in good working order. If the meter is lost or determined to be damaged upon return, the Utility may withhold all, or a portion, of the deposit amount as reasonable compensation for the Utility's loss.

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SCHEDULE OF PROPOSED RATES AND CHARGES

WATER SERVICE
TERMS AND CONDITIONS
AND
NON-RECURRING CHARGES

1. **Terms and Conditions**

A. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup.

B. Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

C. The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

D. When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

E. **Billing Cycle**

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

F. **Extension of Utility Service Lines and Mains**

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, and pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been

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reached for the payment of all costs associated with adding water supply capacity to the affected water system.

G. Cross-Connection Inspection

Any customer installing, permitting to be installed, or maintain any cross connection between the Utilities water system and any other non-public water system, sewer, or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2, as may be amended for time to time. Such a customer shall have such cross connection inspected by a licensed certified tester and provide to Utility a copy of written inspection report indicating the back-flow device is functioning properly and testing results submitted by the tester in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2, as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later June 30th of each year for required commercial customers and no later than June 30th of every other year for required residential customers. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill. If after inspection and testing by the Utility's certified tester, the back-flow device fails to function properly, the customer will be notified and given a 30 day period in which to have the back-flow device repaired or replaced with a subsequent follow-up inspection by a licensed certified tester indicating the back-flow device is functioning properly. Failure to submit a report indicating the back-flow device is functioning properly will result in discontinuation of water service to said customer until such time as a passing inspection report is received by Utility.

H. A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 6 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee. The Company shall have the right to request and receive water usage records from the water provider to its customers. In addition, the Company shall have the right to conduct an inspection of the customer's premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Company shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

I. The liability of the Company, its agents and employees for damages arising out of interruption of service or the failure to furnish service, whether caused by acts or omission, shall be limited to those remedies provided in the Public Service Commission's rules and regulations governing water utilities.

2. Non-Recurring Charges

A. Water Service Connection (New connections only) - \$300 per SFE*

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B. Plant Impact Fee (New connections only) - \$400 per SFE*

The fees in this Section are subject to the considerations noted in Section G below.

The Plant Capacity Fee reflects the portion of plant capacity which will be used to provide service to the new customers as authorized by Commission Rule R. 103-702.13. The plant capacity fee represents the Utility's investment previously made (or planned to be made) in constructing water production, treatment and/or distribution facilities that are essential to provide adequate water service to the new customer's property.

C. Water Meter Installation - 5/8 inches x 3/4 inches meter **\$45.00**

All 5/8 inch x 3/4 inch water meters shall meet the Utility's standards and shall be installed by the Utility. A one-time meter fee of \$45 shall be due upon installation for those locations where no 5/8 inch x 3/4 inch meter has been provided by a developer to the Utility.

For the installation of all other meters, the customer shall be billed for the Utility's actual cost of installation. All such meters shall meet the Utility's standards and be installed by the Utility unless the Utility directs otherwise.

The fees in this Section are subject to the considerations noted in Section G below.

D. Customer Account Charge – (New customers only) **\$30.00**

A one-time fee to defray the costs of initiating service.

E. Reconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R.103-732.5, a reconnection fee shall be due in the amount of \$40.00 and shall be due prior to the Utility reconnecting service.

F. Tampering Charge: In the event the Utility's equipment, water mains, water lines, meters, curb stops, service lines, valves or other facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's equipment, not to exceed \$250. The tampering charge shall be paid in full prior to the Utility re-establishing service or continuing the provision of service.

G. All contributions and advances, whether in the form of property or cash, shall be increased by a cash payment to the utility. Cash contributions and advances shall include an amount equal to 33.24% of the face value of the contribution or advance. Property contributions and advances shall include an amount equal to 18.28% of the original cost of the contribution or advance.

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SEWER

Service Territory 1 and 2

Monthly Charges – Sewer Collection & Treatment Only

Where sewage collection and treatment are provided through facilities owned and operated by the Utility, the following rates apply:

	<u>Current</u>	<u>Company Proposed</u>	ORS Calculated
Residential - charge per single-family house, condominium, villa, or apartment unit:	\$65.08 per unit	\$101.30 per unit	\$91.52 per unit
Mobile Homes:	\$47.50 per unit	\$73.94 per unit	\$66.79 per unit
Commercial	\$65.08 per SFE*	\$101.30 per SFE*	\$91.52 per unit

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

Monthly Charges – Sewer Collection Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity for treatment, the Utility's rates are as follows:

	<u>Current</u>	<u>Company Proposed</u>	ORS Calculated
Residential – per single-family house, condominium, or apartment unit	\$65.08 per unit	\$47.10 per unit	\$ 91.52 per unit
Sewer Treatment Charge	\$ N/A per unit	\$54.20 per unit	\$ N/A per unit
Commercial	\$65.08 per SFE*	\$47.10 per SFE*	\$ 91.52 per unit
Sewer Treatment Charge	\$ N/A per SFE*	\$54.20 per SFE*	\$ N/A per unit
The Village Sewer Collection	\$33.86 per SFE*	\$52.71 per SFE*	\$ 47.61 per unit

* Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

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SCHEDULE OF PROPOSED RATES AND CHARGES

SEWER SERVICE
TERMS AND CONDITIONS
AND
NON-RECURRING CHARGES

1. Terms and Conditions

- A. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.
- B. The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

C. Billing Cycle

Recurring charges will be billed monthly in arrears. Non-recurring charges will be billed and collected in advance of service being provided.

D. Toxic and Pretreatment Effluent Guidelines

The utility will not accept or treat any substance or material that has not been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

E. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, and pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless

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sewer capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving sewer system.

In no event will the Utility be required to construct additional sewer treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

- F. A Single Family Equivalent ("SFE") shall be determined by 6 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service, plant impact fee and tap fee. The Company shall have the right to request and receive water usage records from the water provider to its customers. In addition, the Company shall have the right to conduct an inspection of the customer's premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Company shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.
- G. The liability of the Company, its agents and employees for damages arising out of interruption of service or the failure to furnish service, whether caused by acts or omission, shall be limited to those remedies provided in the Public Service Commission's rules and regulations governing wastewater utilities.

2. Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. Pumping Charge

On such regular intervals as the Utility deems prudent, upon discovery that excessive solids have accumulated in the interceptor tank, or for any instance when a customer's interceptor tank is in need of access, pumping, cleaning, maintenance/repair, or requires any work ("Pumping Charge") related to a Pumping Charge, the Utility shall provide an estimate of the actual cost of the Pumping Charge to that customer for the specified work to be done. Should a customer choose, the customer may seek quotes/estimates from third-party vendors not affiliated with the Utility. The Utility shall not proceed with any work related to an interceptor tank until such time as the Utility secures the customers approval, in writing, for the work to be performed.

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If the customer chooses to have the Utility perform the work associated with the interceptor tank, then the cost charged to the customer shall not exceed the estimate of the actual cost the Utility provided to the customer (whether the work is performed by the Utility or if the Utility utilizes a third-party vendor). If the customer chooses to contract with a third-party vendor, then the Utility shall oversee the work but will not charge the affected customer for the personnel and overhead costs incurred in managing the work. The customer shall provide the Utility with sufficient documentation to demonstrate the work was performed by the third-party vendor.

The Pumping Charge will be included as a separate line item on the next regular billing to the customer. Alternatively, at the customer's request, the Pumping Charge may be billed to the customer in twelve (12) equal monthly installments.

B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement as a separate item in the next regular billing to the customer and may be paid for over a one-year period.

C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

3. Non-recurring Charges

- | | |
|--|----------------|
| A. Sewer Service Connection (New connections only) | \$300 per SFE* |
| B. Plant Capacity Fee (New connections only) | \$400 per SFE* |

The fees in this Section are subject to the tax considerations noted in Section G below.

The Plant Capacity Fee shall be computed by using South Carolina DHEC "Guide Lines for Unit Contributory Loadings to Wastewater Treatment Facilities" (1972) to determine the single family equivalency rating. The plant capacity fee represents the Utility's investment previously made (or planned to be made) in constructing treatment and/or collection system facilities that are essential to provide adequate treatment and disposal of the wastewater generated by the development of the new property.

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The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of non-residential customer is less than one (1). If the equivalency rating of a non-residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

C. Notification Fee

A fee of \$15.00 shall be charged to each customer per notice to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

D. Customer Account Charge - (New customers only) \$30.00

A one-time fee to defray the costs of initiating service. This charge will be waived if the customer is also a water customer.

E. Reconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R. 103-532.4 a reconnection fee in the amount of \$500.00 shall be due at the time the customer reconnects service. Where an elder valve has been previously installed, a reconnection fee of \$40.00 shall be charged.

F. Tampering Charge: In the event the Utility's equipment, sewage pipes, meters, curb stops, service lines, elder valves or other facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's equipment, not to exceed \$250. The tampering charge shall be paid in full prior to the Utility re-establishing service or continuing the provision of service.

G. All contributions and advances, whether in the form of property or cash, shall be increased by a cash payment to the utility. Cash contributions and advances shall include an amount equal to 33.24% of the face value of the contribution or advance. Property contributions and advances shall include an amount equal to 18.28% of the original cost of the contribution or advance.

Office of Regulatory Staff
Water Customer High Bills
Blue Granite Water Company
Docket No. 2019-290-WS

Service Territory #1 Residential Customers

Rate description	Annual Water Consumption	Test Year Total	Average Monthly Bill	After Proposed Increase	Average Monthly Bill	Monthly Difference	% Increase
Residential - Purchased Water	11,593,640	\$146,510	\$12,209	\$225,113	\$18,759	\$6,550	53.65%
Residential - Purchased Water	3,374,577	\$41,635	\$3,470	\$63,973	\$5,331	\$1,861	53.65%
Residential - Purchased Water	3,473,160	\$37,355	\$3,113	\$57,396	\$4,783	\$1,670	53.65%
Residential - Purchased Water	2,340,890	\$31,821	\$2,652	\$48,893	\$4,074	\$1,423	53.65%
Residential - Purchased Water	1,772,084	\$32,792	\$2,733	\$50,386	\$4,199	\$1,466	53.65%
Residential - Purchased Water	1,125,780	\$20,873	\$1,739	\$32,072	\$2,673	\$933	53.65%
Residential - Purchased Water	2,618,150	\$19,722	\$1,643	\$30,303	\$2,525	\$882	53.65%
Residential - Purchased Water	1,179,251	\$15,726	\$1,310	\$24,163	\$2,014	\$703	53.65%
Residential - Purchased Water	1,306,100	\$14,306	\$1,192	\$21,981	\$1,832	\$640	53.65%
Residential - Purchased Water	932,220	\$13,198	\$1,100	\$20,278	\$1,690	\$590	53.65%

Service Territory #1 Commercial Customers

Rate description	Annual Water Consumption	Test Year Total	Average Monthly Bill	After Proposed Increase	Average Monthly Bill	Monthly Difference	% Increase
Commercial - Purchased Water	7,116,032	\$67,206	\$5,601	\$103,263	\$8,605	\$3,005	53.65%
Commercial - Purchased Water	4,426,182	\$34,304	\$2,859	\$52,307	\$4,359	\$1,500	52.48%
Commercial - Irrigation	1,101,800	\$35,558	\$2,963	\$54,635	\$4,553	\$1,590	53.65%
Commercial - Purchased Water	3,818,847	\$30,238	\$2,520	\$46,108	\$3,842	\$1,322	52.48%
Commercial - Purchased Water	2,675,640	\$24,767	\$2,064	\$37,765	\$3,147	\$1,083	52.48%
Commercial - Purchased Water	2,751,330	\$23,379	\$1,948	\$35,617	\$2,968	\$1,020	52.34%
Commercial - Purchased Water	2,774,011	\$21,510	\$1,793	\$31,881	\$2,657	\$864	48.21%
Commercial - Purchased Water	2,147,359	\$30,647	\$2,554	\$47,089	\$3,924	\$1,370	53.65%
Commercial - Irrigation	583,500	\$25,547	\$2,129	\$38,954	\$3,246	\$1,117	52.48%
Commercial - Purchased Water	2,202,591	\$17,680	\$1,473	\$26,958	\$2,247	\$773	52.48%

Service Territory #2 Residential Customers

Rate description	Annual Water Consumption	Test Year Total	Average Monthly Bill	After Proposed Increase	Average Monthly Bill	Monthly Difference	% Increase
Residential - Purchased Water	961,900	\$11,704	\$975	\$15,792	\$1,316	\$341	34.94%
Residential - Purchased Water	936,274	\$11,407	\$951	\$15,392	\$1,283	\$332	34.94%
Residential - Purchased Water	931,400	\$11,323	\$944	\$15,278	\$1,273	\$330	34.94%
Residential - Well	1,017,980	\$10,794	\$900	\$14,565	\$1,214	\$314	34.94%
Residential - Purchased Water	907,700	\$10,715	\$893	\$14,459	\$1,205	\$312	34.94%
Residential - Purchased Water	766,583	\$9,394	\$783	\$12,676	\$1,056	\$274	34.94%
Residential - Well	779,230	\$8,337	\$695	\$11,250	\$937	\$243	34.94%
Residential - Purchased Water	648,490	\$8,026	\$669	\$10,830	\$903	\$234	34.94%
Residential - Purchased Water	599,700	\$7,421	\$618	\$10,014	\$835	\$216	34.94%
Residential - Purchased Water	505,300	\$6,305	\$525	\$8,508	\$709	\$184	34.94%

Service Territory #2 Commercial Customers

Rate description	Annual Water Consumption	Test Year Total	Average Monthly Bill	After Proposed Increase	Average Monthly Bill	Monthly Difference	% Increase
Commercial	45,500	\$6,411	\$534	\$7,521	\$627	\$93	17.32%
Commercial	130,180	\$3,069	\$256	\$4,074	\$339	\$84	32.73%
Commercial	209,030	\$2,487	\$207	\$3,356	\$280	\$72	34.94%
Commercial	660	\$1,749	\$146	\$2,321	\$193	\$48	32.73%
Commercial	95,258	\$1,651	\$138	\$2,228	\$186	\$48	34.94%
Commercial	11,970	\$1,069	\$89	\$1,312	\$109	\$20	22.76%

PURCHASED WATER CHARGE CALCULATION

Blue Granite Water Company ("Company") purchases its potable water from multiple third-party providers. Whenever the third-party providers adjust the price of water, the adjustment in price is passed through to the Company pursuant to various wholesale water purchase agreements.

Accordingly, whenever there is a price adjustment for the purchase of potable water to the Company by the third-party providers, the following billing adjustment shall be made to the Company's Water Distribution Customers who are ultimately provided water by the third-party provider that initiated the price change:

1. Billing Adjustment

In the event that the third-party provider adjusts (whether an increase or decrease) the unit price per 1,000 gallons related to water commodity prices, the following billing adjustment practice would apply:

- (a) If the unit price is adjusted, the cost change per 1,000 gallons would be passed through to the Water Distribution Customers that receive water from the third-party provider as an adjustment in like amount to the Purchased Water Charge on the water bill.

Example: The unit price of purchased water is increased by two (2) cents per 1,000 gallons. The Purchased Water Charge on the customer's bill would reflect a two (2) cent per 1,000 gallon increase.

2. Notification

Any special billing adjustment shall not be billed until the following conditions are met:

- (a) The Company shall furnish the Public Service Commission of South Carolina satisfactory proof of the basis for the adjustment and the billing method to be utilized at least thirty (30) days prior to its proposed effective date.
- (b) The Company shall furnish thirty (30) days prior written notice to the Water Distribution Customers affected by the Purchased Water Charge advising them of the basis for the billing adjustment and its effective date.

PURCHASED SEWER CHARGE CALCULATION

Blue Granite Water Company ("Company") purchases its sewer treatment from multiple third-party providers. Whenever the third-party providers adjust the price of sewer treatment prices, that adjustment in price is passed through to the Company pursuant to various wholesale sewage treatment agreements.

Accordingly, whenever there is a price adjustment for the treatment costs to the Company by the third-party providers, the following billing adjustment shall be made to the Company's Sewer Collection Customers who are ultimately provided treatment services by the third-party provider that initiated the price change:

1. Billing Adjustment

In the event that the third-party provider adjusts (whether an increase or decrease) the unit price related to the treatment of sewage, the following billing adjustment practice would apply:

- (a) The treatment expense from the provider will be passed on to the affected Sewer Collection Customers through an adjustment to the monthly charge.

Example: The treatment expense is increased by five (5) cent per SFE. The monthly Purchased Sewer Charge on the customer's bill would reflect a five (5) cent per SFE increase.

2. Notification

Any special billing adjustment shall not be billed until the following conditions are met:

- (a) The Company shall furnish the Public Service Commission of South Carolina satisfactory proof of the basis for the adjustment and the billing method to be utilized at least thirty (30) days prior to its proposed effective date.
- (b) The Company shall furnish thirty (30) days prior written notice to the Sewer Collection Customers affected by the Purchased Sewer Charge advising them of the basis for the billing adjustment and its effective date.

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

ORS Calculated Revenue Summary - BGWC (Service Territory #1 and Service Territory #2)

A	B	C	D	E
Operating Revenue	ORS Calculated Test Year Revenue	Additional Revenue at Proposed Rates	ORS Calculated Revenue at the Company Proposed Rates	% Increase
Service Territory 1 - Well Water	\$1,022,329	\$548,431	\$1,570,760	54%
Service Territory 1 - Purchased Water	\$5,557,459	\$2,971,235	\$8,528,694	53%
Service Territory 1 - Water - Misc. Revenue	\$84,650	\$12,210	\$96,860	14%
Total Service Territory 1 Water	\$6,664,438	\$3,531,876	\$10,196,314	53%
Service Territory 2 - Well Water	\$3,917,788	\$1,365,549	\$5,283,337	35%
Service Territory 2 - Purchased Water	\$1,651,814	\$577,125	\$2,228,939	35%
Service Territory 2 - Water - Misc. Revenue	\$115,189	\$11,495	\$126,684	10%
Total Service Territory 2 Water	\$5,684,791	\$1,954,169	\$7,638,960	34%
Service Territory 1 & 2 - Sewer	\$11,434,254	\$6,363,717	\$17,797,971	56%
Service Territory 1 & 2 - Sewer - Misc. Revenue	\$249,770	\$61,963	\$311,733	25%
Total Service Revenue Sewer	\$11,684,024	\$6,425,680	\$18,109,704	55%
Total Water and Sewer Service Revenues	\$24,033,254	\$11,911,725	\$35,944,979	50%

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

ORS Calculated Revenue at Current Rates - Service Territory 1									
A	B	C	D	E	F	G	H		
	Customer Classification	Average Monthly Consumption per Customer ¹	Usage Charge per 1,000 gallons	Test Year End Customers ¹	Annualized Service Units	Base Facility Charge (BFC)	Test Year Revenue (F*D*C/1000) + (F*G)		
WATER	400PWCOM - 1" Purchase Water Commercial	12,561	\$7.55	5	60	\$37.43	\$7,936.00		
	400PWCOM - 1.5" Purchase Water Commercial	1,166	\$7.55	1	12	\$74.86	\$1,004.00		
	400PWCOM - 2" Purchase Water Commercial	60,650	\$7.55	7	84	\$119.78	\$48,526.00		
	400PWCOM - 3" Purchase Water Commercial	108,723	\$7.55	1	12	\$224.59	\$12,545.00		
	400PWCOM - 3/4" Purchase Water Commercial	0	\$7.55	2	24	\$14.38	\$345.00		
	400PWCOM - 5/8" Purchase Water Commercial	7,336	\$7.55	20	240	\$14.38	\$16,744.00		
	400PWCRH - 1" Purchase Water Commercial - Riverhills	12,212	\$7.55	41	492	\$37.43	\$63,778.00		
	400PWCRH - 1.5" Purchase Water Commercial - Riverhills	33,220	\$7.55	38	456	\$74.86	\$155,392.00		
	400PWCRH - 2" Purchase Water Commercial - Riverhills	66,720	\$7.55	43	516	\$119.78	\$321,734.00		
	400PWCRH - 3" Purchase Water Commercial - Riverhills	121,237	\$7.55	5	60	\$224.59	\$68,396.00		
	400PWCRH - 3/4" Purchase Water Commercial - Riverhills	4,500	\$7.55	22	264	\$14.38	\$12,766.00		
	400PWCRH - 4" Purchase Water Commercial - Riverhills	107,190	\$7.55	3	36	\$374.42	\$42,613.00		
	400PWCRH - 5/8" Purchase Water Commercial - Riverhills	6,137	\$7.55	101	1,212	\$14.38	\$73,586.00		
	400PWCRH - 8" Purchase Water Commercial - Riverhills	592,148	\$7.55	1	12	\$1,150.51	\$67,455.00		
	400PWRES - 1" Purchase Water Residential	3,302	\$7.55	88	1,056	\$14.38	\$41,511.00		
	400PWRES - 1.5" Purchase Water Residential	1,845	\$7.55	56	672	\$14.38	\$19,024.00		
	400PWRES - 2" Purchase Water Residential	2,957	\$7.55	93	1,116	\$14.38	\$40,963.00		
	400PWRES - 3/4" Purchase Water Residential	10,752	\$7.55	1	12	\$14.38	\$1,147.00		
	400PWRES - 4" Purchase Water Residential	599	\$7.55	16	192	\$14.38	\$3,629.00		
	400PWRES - 5/8" Purchase Water Residential	4,636	\$7.55	3,028	36,336	\$14.38	\$1,794,337.00		
	400PWRRH - Purchase Water Res - RH (All Meter Sizes)	4,610	\$7.55	4,683	56,196	\$14.38	\$2,764,028.00		
	400WCOM - 1" Commercial	611	\$5.59	1	12	\$37.43	\$490.00		
	400WCOM - 5/8" Commercial	7,998	\$5.59	7	84	\$14.38	\$4,963.00		
	400WCIR - Commercial Irrigation	30,295	\$7.55	16	192	\$0.00	\$43,916.00		
	400WRIR - Residential Irrigation	7,412	\$7.55	212	2,544	\$0.00	\$142,364.00		
	400WRES - Water Residential (All Meter Sizes)	7,716	\$5.59	1,545	18,540	\$14.38	\$755,365.00		
	402WRES - Water Residential (All Meter Sizes)	3,948	\$5.59	172	2,064	\$14.38	\$75,231.00		
Water Service Total								\$6,579,788	
Miscellaneous Revenues - Late Fees								\$23,123	
New Customer Charges								\$28,731	
Miscellaneous Service Revenue								\$36	
NSF Check & Reconnect Fee								\$32,760	
Total Miscellaneous Revenues								\$84,650	
Total Operating Revenues								\$6,664,438	

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

ORS Calculated Revenue at Company Proposed Rates - Service Territory 1									
A	B	C	D	E	F	G	H	I	
	Customer Classification	Average Monthly Consumption per Customer ¹	Purchased Water Charge	Volume Charge per 1,000 gallons	Test Year End Customers	Annualized Service Units	Base Facility Charge (BFC)	Company Proposed Revenue ((D+E)*G+C/1000) + (G*H)	
WATER	400PWCOM - 1" Purchase Water Commercial	12,561	\$6.85	\$4.75	5	60	\$55.24	\$12,057.00	
	400PWCOM - 1.5" Purchase Water Commercial	1,166	\$6.85	\$4.75	1	12	\$110.47	\$1,488.00	
	400PWCOM - 2" Purchase Water Commercial	60,650	\$6.85	\$4.75	7	84	\$176.76	\$73,945.00	
	400PWCOM - 3" Purchase Water Commercial	108,723	\$6.85	\$4.75	1	12	\$331.42	\$19,111.00	
	400PWCOM - 3/4" Purchase Water Commercial	0	\$6.85	\$4.75	2	24	\$22.09	\$530.00	
	400PWCOM - 5/8" Purchase Water Commercial	7,336	\$6.85	\$4.75	20	240	\$22.09	\$25,725.00	
	400PWCRH - 1" Purchase Water Commercial - Riverhills	12,212	\$6.85	\$4.75	41	492	\$55.24	\$96,874.00	
	400PWCRH - 1.5" Purchase Water Commercial - Riverhills	35,220	\$6.85	\$4.75	38	456	\$110.47	\$236,674.00	
	400PWCRH - 2" Purchase Water Commercial - Riverhills	66,720	\$6.85	\$4.75	43	516	\$176.76	\$490,567.00	
	400PWCRH - 3" Purchase Water Commercial - Riverhills	121,237	\$6.85	\$4.75	5	60	\$331.42	\$104,266.00	
	400PWCRH - 3/4" Purchase Water Commercial - Riverhills	4,500	\$6.85	\$4.75	22	264	\$22.09	\$19,613.00	
	400PWCRH - 4" Purchase Water Commercial - Riverhills	107,190	\$6.85	\$4.75	3	36	\$552.37	\$64,648.00	
	400PWCRH - 5/8" Purchase Water Commercial - Riverhills	6,137	\$6.85	\$4.75	101	1,212	\$22.09	\$113,054.00	
	400PWCRH - 8" Purchase Water Commercial - Riverhills	592,148	\$6.85	\$4.75	1	12	\$1,767.59	\$103,638.00	
	400PWRES - 1" Purchase Water Residential	3,302	\$6.85	\$4.75	88	1,056	\$22.09	\$63,775.00	
	400PWRES - 1.5" Purchase Water Residential	1,845	\$6.85	\$4.75	56	672	\$22.09	\$29,237.00	
	400PWRES - 2" Purchase Water Residential	2,957	\$6.85	\$4.75	93	1,116	\$22.09	\$62,933.00	
	400PWRES - 3/4" Purchase Water Residential	10,752	\$6.85	\$4.75	1	12	\$22.09	\$1,762.00	
	400PWRES - 4" Purchase Water Residential	599	\$6.85	\$4.75	16	192	\$22.09	\$5,575.00	
	400PWRES - 5/8" Purchase Water Residential	4,636	\$6.85	\$4.75	3,028	36,336	\$22.09	\$2,756,725.00	
	400PWRRH - Purchase Water Res - RH (All Meter Sizes)	4,610	\$6.85	\$4.75	4,683	56,196	\$22.09	\$4,246,507.00	
	400WCOM - 1" Commercial	611	N/A	\$8.59	1	12	\$55.24	\$726.00	
	400WCOM - 5/8" Commercial	7,998	N/A	\$8.59	7	84	\$22.09	\$7,627.00	
	400WCTR - Commercial Irrigation	30,295	N/A	\$11.60	16	192	\$0.00	\$67,473.00	
	400WTRIR - Residential Irrigation	7,412	N/A	\$11.60	212	2,544	\$0.00	\$218,731.00	
	400WRES - Water Residential (All Meter Sizes)	4,716	N/A	\$8.59	1,545	18,540	\$22.09	\$1,160,612.00	
	402WRES - Water Residential (All Meter Sizes)	3,948	N/A	\$8.59	172	2,064	\$22.09	\$115,591.00	
	Water Service Total							\$10,099,454	
	Miscellaneous Revenues - Late Fees							\$35,333	
	New Customer Charges							\$28,731	
	Miscellaneous Service Revenue							\$36	
	NSF Check & Reconnect Fee							\$32,760	
	Total Miscellaneous Revenues							\$96,860	
	Total Operating Revenues							\$10,196,314	

¹ From Response to EO#1 Updated 1.4
x from wp.k

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

ORS Calculated Revenue at Current Rates - Service Territory 2

A	B	C	D	E	F	G	H
	Customer Classification	Average Monthly Consumption per Customer ^a	Usage Charge per 1,000 gallons	Test Year End Customers ¹	Annualized Service Units	Base Facility Charge (BFC)	Test Year Revenue (F*D*C/1000) + (F*G)
WATER	401WCOM - 5/8" Commercial Water Service	8,498	\$10.27	1	12	\$28.59	\$1,390
	401WCOM - 1" Commercial Water Service	1,006	\$10.27	2	24	\$79.59	\$2,158
	401WCOM - 1.5" Commercial Water Service	5,492	\$10.27	1	12	\$146.27	\$2,432
	401WCOM - 3" Commercial Water Service	3,820	\$10.27	3	36	\$499.14	\$19,381
	401WRES - Water Residential (All Meter Sizes)	3,880	\$10.27	4,641	55,692	\$28.59	\$3,811,427
	401PWRFW - Foxwood Purchased Water	1,089	\$11.85	210	2,520	\$28.59	\$104,567
	401WRPUR - 1" Water Distribution and Purchased Water Charge	22,758	\$11.85	4	48	\$28.59	\$14,317
	401WRPUR - 2" Water Distribution and Purchased Water Charge	33,126	\$11.85	18	216	\$28.59	\$90,965
	401WRPUR - 3/4" Water Distribution and Purchased Water Charge	23,996	\$11.85	1	12	\$28.59	\$3,755
	401WRPUR - 5/8" Water Distribution and Purchased Water Charge	3,640	\$11.85	1,671	20,052	\$28.59	\$1,438,210
	403WRES - Water Residential (All Meter Sizes)	4,685	\$10.27	88	1,056	\$28.59	\$81,000
	Water Service Total						\$5,569,602
	Miscellaneous Revenues - Late Fees						\$35,884
	New Customer Charges						\$21,985
	Miscellaneous Service Revenue						\$0
	NSF Check & Reconnect Fee						\$57,320
	Total Miscellaneous Revenues						\$115,189
	Total Operating Revenues						\$5,684,791

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

ORS Calculated Revenue at Company Proposed Rates - Service Territory 2									
A	B	C	D	E	F	G	H	I	
	Customer Classification	Average Monthly Consumption per Customer ¹	Purchased Water Charge	Volumetric Charge per 1,000 gallons	Test Year End Customers ¹	Annualized Service Units	Base Facility Charge (BFC)	Company Proposed Revenue ((D+E)*G+C/I 000) + (G*H)	
WATER	401WCOM - 5/8" Commercial Water Service	8,498	N/A	\$13.86	1	12	\$38.58	\$1,876	
	401WCOM - 1" Commercial Water Service	1,006	N/A	\$13.86	2	24	\$96.45	\$2,649	
	401WCOM - 1.5" Commercial Water Service	5,492	N/A	\$13.86	1	12	\$192.89	\$3,228	
	401WCOM - 3" Commercial Water Service	3,820	N/A	\$13.86	3	36	\$578.67	\$22,738	
	401WRES - Water Residential (All Meter Sizes)	3,880	N/A	\$13.86	4,641	55,692	\$38.58	\$5,143,535	
	401PWRFW - Foxwood Purchased Water	1,089	\$11.08	\$4.91	210	2,520	\$38.58	\$141,103	
	401WRPUR - 1" Water Distribution and Purchased Water Charge	22,758	\$11.08	\$4.91	4	48	\$38.58	\$19,319	
	401WRPUR - 2" Water Distribution and Purchased Water Charge	33,126	\$11.08	\$4.91	18	216	\$38.58	\$122,745	
	401WRPUR - 3/4" Water Distribution and Purchased Water Charge	23,996	\$11.08	\$4.91	1	12	\$38.58	\$5,067	
	401WRPUR - 5/8" Water Distribution and Purchased Water Charge	3,640	\$11.08	\$4.91	1,671	20,052	\$38.58	\$1,940,705	
	403WRES - Water Residential (All Meter Sizes)	4,685	N/A	\$13.86	88	1,056	\$38.58	\$109,311	
	Water Service Total								\$7,512,276
	Miscellaneous Revenues - Late Fees							\$47,379	
	New Customer Charges							\$21,985	
	Miscellaneous Service Revenue							\$0	
	NSF Check & Reconnect Fee							\$57,320	
	Total Miscellaneous Revenues							\$126,684	
	Total Operating Revenues								\$7,638,960

¹ From Response to EO#1 Updated 1.4
x from wp.k

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

ORS Calculated Revenue at Current Rates - Service Territory 1 & 2

A	B	C	D	F	G
	Customer Classification	Test Year End Customers ¹	Annualized Service Units ¹	BFC	Test Year Revenues (D*F)
SEWER	400WWCOM - WW Commercial (All Meter Sizes)	233	2,796	\$65.08	\$181,964
	400WWCRH - Commercial WW Treatment - RH (All Meter Sizes)	1,896	22,752	\$65.08	\$1,480,700
	400WWRCP - Residential WW Service (All Meter Sizes)	414	4,968	\$65.08	\$323,317
	400WWRES - WW Residential (All Meter Sizes)	6,171	74,052	\$65.08	\$4,819,304
	400WWRBJ - Residential WW Service (All Meter Sizes)	89	1,068	\$65.08	\$69,505
	400WWRRH - Residential WW Treatment - YC (All Meter Sizes)	4,455	53,460	\$65.08	\$3,479,177
	400WWRTC - Town of Chapin Purchase WW Res (All Meter Sizes)	88	1,056	\$65.08	\$68,724
	400WWTRL - WW Trailer Residential (All Meter Sizes)	2	24	\$47.50	\$1,140
	400WWTRT - Van Arsdale WW Treatment (All Meter Sizes) ⁵	2	24	\$33.86	\$813
	400WWCCP - Commercial Wastewater Service (Richland County)	2	24	\$65.08	\$1,562
	400WWRHT - Riverhills WW Treatment (All Meter Sizes)	10	120	\$65.08	\$7,810
	401WWRES - Residential WW Service (All Meter Sizes)	358	4,296	\$65.08	\$279,584
	401WWCOM - Commercial WW Treatment - (All Meter Sizes)	16	192	\$65.08	\$12,495
	403WWRES - Residential WW Service (All Meter Sizes)	593	7,116	\$65.08	\$463,109
	403WWMOB - Mobile Home Wastewater Service	174	2,088	\$47.50	\$99,180
	403WWVLG - Wastewater Residential Collection Charge	359	4,308	\$33.86	\$145,869
Sewer Service Total			178,344		\$11,434,254
	Miscellaneous Revenues - Late Fees				\$79,143
	New Customer Charges				\$39,595
	Miscellaneous Service Revenue				\$113,153
	NSF Check & Reconnect Fee				\$17,880
Total Miscellaneous Revenues					\$249,770
Total Operating Revenues					\$11,684,024

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

ORS Calculated Revenue at Current Rates - Service Territory 1 & 2

A	B	C	D	F	G	H
	Customer Classification	Test Year End Customers ¹	Annualized Service Units	Treatment Charge	Monthly Charge	Test Year Revenues (D*(F+G))
SEWER	400WWCOM - WW Commercial (All Meter Sizes)	233	2,796	N/A	\$101.30	\$283,235
	400WWCRH - Commercial WW Treatment - RH (All Meter Sizes)	1,896	22,752	\$54.20	\$47.10	\$2,304,778
	400WWRCP - Residential WW Service (All Meter Sizes)	414	4,968	\$54.20	\$47.10	\$503,258
	400WWRES - WW Residential (All Meter Sizes)	6,171	74,052	N/A	\$101.30	\$7,501,468
	400WWRBJ - Residential WW Service (All Meter Sizes)	89	1,068	\$54.20	\$47.10	\$108,188
	400WWRRH - Residential WW Treatment - YC (All Meter Sizes)	4,455	53,460	N/A	\$101.30	\$5,415,498
	400WWRTC - Town of Chapin Purchase WW Res (All Meter Sizes)	88	1,056	\$54.20	\$47.10	\$106,973
	400WWTRL - WW Trailer Residential (All Meter Sizes)	2	24	N/A	\$73.94	\$1,775
	400WWTRT - Van Arsdale WW Treatment (All Meter Sizes) ⁵	2	24	N/A	\$52.71	\$1,265
	400WWCCP - Commercial Wastewater Service (Richland County)	2	24	\$54.20	\$47.10	\$2,431
	400WWRHT - Riverhills WW Treatment (All Meter Sizes)	10	120	\$54.20	\$47.10	\$12,156
	401WWRES - Residential WW Service (All Meter Sizes)	358	4,296	N/A	\$101.30	\$435,185
	401WWCOM - Commercial WW Treatment - (All Meter Sizes)	16	192	N/A	\$101.30	\$19,450
	403WWRES - Residential WW Service (All Meter Sizes)	593	7,116	N/A	\$101.30	\$720,851
	403WWMOB - Mobile Home Wastewater Service	174	2,088	N/A	\$73.94	\$154,387
	403WWVLG - Wastewater Residential Collection Charge	359	4,308	N/A	\$52.71	\$227,075
Sewer Service Total			178,344			\$17,797,971
	Miscellaneous Revenues - Late Fees					\$123,192
	New Customer Charges					\$39,595
	Miscellaneous Service Revenue					\$131,066
	NSF Check & Reconnect Fee					\$17,880
Total Miscellaneous Revenues						\$311,733
Total Operating Revenues						\$18,109,704

¹ From Response to EO#1 Updated 1.4